

**5/2/77 [1]**

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## NATIONAL ARCHIVES AND RECORDS SERVICE

## WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Ray Marshall to The President (4 pp.) Re: Departmental Activities Summary	4/29/77	A
memo	From Michael Blumenthal to The President (4 pp.) Re: Finance Ministers Meeting in Paris	4/26/77	A
memo	From Harold Brown to The President (4 pp.) Re: Weekly Summary of Department of Defense Activities enclosed in Hutcheson to Brown 5/2/77	4/29/77	A
<del>memo</del>	<del>From Andrew Young to The President (1 page) Re: Weekly Summary of U.S. Mission to the U.N. activities enclosed in Hutcheson to Hugh Carter 5/2/77</del> <i>OPENED 1/18/13</i>	<del>4/28/77</del>	A

## FILE LOCATION

Carter Presidential Papers-Staff Offices , Office of the Staff Sec.-Pres. Hand-writing File 5/2/77 [1] Box 21

## RESTRICTION CODES

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(B) Closed by statute or by the agency which originated the document.  
(C) Closed in accordance with restrictions contained in the donor's deed of gift.



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

*To Jim  
McIntyre  
Revise as agreed  
J*

ACTION

April 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

Bert Lance, Director

*Bert Lance  
By JTM*

SUBJECT:

Agency head review of consulting services

I. BACKGROUND

Reference: Your memorandum of April 12, 1977 (Attachment 1). A letter for your signature to heads of departments and agencies questioning their use of consulting services has been prepared (Attachment 2). The letter:

- . Calls for agency review of current use of consultant services,
- . Transmits the form, requested in your memo, which is required to be completed for each consulting arrangement,
- . Sets May 31, 1977 for reporting results to the OMB along with a completed form for each consulting service and the agency head recommendation regarding continuance or discontinuance,
- . Advises that the OMB will issue guidelines for future use of consultants.

In developing the form, information I have gathered indicates that we will receive tens of thousands of forms in response to this request. In examining this approach we found:

- . The extensive and multifaceted nature of the Government's use of consultant or expert services spans the spectrum of agency programs. Such services are acquired by appointments, grants, or contracts. Services are obtained from individuals, small businesses, universities, medical centers, not-for-profits, consulting firms and industrial corporations. There is an inseparable co-mingling of consultant and expert services within technical and professional services (~~Attachment 3~~).
- . Information on use of consultants was recently submitted to the Congress in response to a request from Senator Metcalf. Those efforts resulted in the identification of 10,777 appointed consultants or experts and tens of thousands of contracts providing consulting or expert services within the Federal Government (~~Attachment 4~~).

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The reviews by the agencies, the formatted information to be submitted to OMB and the issuance of guidelines would also be responsive to Vice President Mondale's initiative (~~Attachment 5~~).

The preliminary draft (~~Attachment 6~~) will require additional refinement before issuance

## II. RECOMMENDATION

That you sign the letter to heads of departments and agencies.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_



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Attachment 1

THE WHITE HOUSE  
WASHINGTON

4-12-77

To Bert Lance

Pursuant to our conversation,  
prepare for me a one-page  
form for describing consultant  
contracts in effect in our  
government.

Include such items as:

- a) Name of Consulting firm
- b) Principals & special qualifications
- c) Name of project
- d) Information/advice to be derived
- e) Total fee being paid to consultant
- f) Date work commenced
- g) Date work to be completed
- h) Degree of need or benefit
- i) Agency head recommendation.

Please expedite.

J. Carter

B.L. wants  
the all-  
purpose individual



Attachment 2

THE WHITE HOUSE  
WASHINGTON

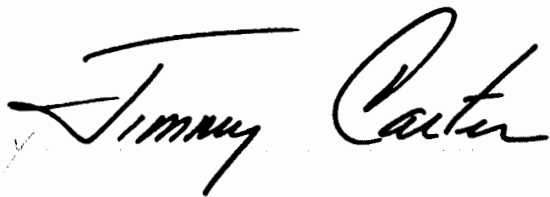
MEMORANDUM FOR THE HEADS OF  
EXECUTIVE DEPARTMENTS AND AGENCIES

In my continuing search for ways to improve the efficiency and effectiveness of the executive branch, I find there has been a growing trend in the Federal Government to depend more and more on the use of consulting services, the costs of which are rapidly increasing. There have been, and continue to be, allegations that such consulting services are being used excessively, unnecessarily, and in some cases to negate limitations placed on numbers of Government employees.

To be certain the consultant services are being used properly, I want you to review your current use of consulting services and eliminate those that are neither appropriate nor necessary.

In conducting your review, I want you to examine both personal and non-personal consulting services. For each consulting service arrangement the attached form is to be completed to assist in your review. The forms, together with your recommendation as to the continuance or discontinuance of each of the consulting services, are to be forwarded to the Office of Management and Budget. I have asked the Director of the Office of Management and Budget to issue general guidelines for the future use of consulting services by the Federal Government.

Finally, report to the Office of Management and Budget by May 31, 1977 along with the completed forms a summary analysis of the total number and dollar value of those consultant arrangements which are in effect, to be continued and discontinued.



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## EXECUTIVE BRANCH SURVEY OF CONSULTANT SERVICES

Dept /Agency:
Component:
Budget Program:
Project Name:
Description of Task :

Contractor:
Principal Investigator:
Special Qualifications:
Competitively Awarded: <input type="checkbox"/> Yes <input type="checkbox"/> No Total Contract Value: \$ FY 1977: \$
Date Work Commenced: Scheduled Completion Date:

Justification of Need:
------------------------

Evaluation/Recommendation:
Dept/Agency Head
Date:

(See other side for instructions)

THE WHITE HOUSE  
WASHINGTON

Date:

4/30

MEMORANDUM

FOR ACTION:

Jim Fallows

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Bert Lance's memo --- Agency Head Review  
of Consulting Services

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: TURNAROUND

DAY: SATURDAY

DATE: April 30

ACTION REQUESTED:

☐ Your comments

Other:

Would like your review of the attached memorandum  
to Heads of Depts. and Agencies

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

- get Fallows comments  
- have Linda retype

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

In my continuing search for ways to improve the efficiency and effectiveness of the executive branch, I find there has been a growing trend in the Federal Government to depend more and more on the use of consulting services, the costs of which are rapidly increasing. There have been, and continue to be, allegations that such consulting services are being used excessively, unnecessarily, and in some cases to negate limitations placed on numbers of Government employees.

To be certain that consultant services are being used properly, I want you to review your current use of consulting services and eliminate those that are neither appropriate nor necessary.

In conducting your review, I want you to examine both personal and non-personal consulting services. For each consulting service arrangement the attached form is to be completed to assist in your review. The forms, together with your recommendation as to the continuance or discontinuance of each of the consulting services, are to be forwarded to the Office of Management and Budget. I have asked the Director of the Office of Management and Budget to issue general guidelines for the future use of consulting services by the Federal Government.

Finally, report to the Office of Management and Budget by May 31, 1977 along with the completed forms a summary analysis of the total number and dollar value of those consultant arrangements which are in effect, to be continued and discontinued.

Attachment

Attachment 3



Nature of Consultant and Expert Services

Consultant and expert services involve a wide variety of skills and specialties that are acquired by the Federal Government through use of appointments, grants, and contracts. The wide variety of skills and specialties acquired include those drawn from professions typified by medicine, law, education, science, technology, engineering, management, business, and accounting. These services may be obtained in the private sector from individuals, small businesses, universities, medical centers, not for profits, Federally-funded research and development centers, consulting firms and industrial corporations.

The Federal Government may acquire consultant and expert services for the private sector and for State and local governments as well as for internal use. For example, the Federal Government hires consultants of experts to provide advice and counsel to small minority enterprises. Another example is the providing of consulting or expert services to several non-Federal grantees to set up appropriate accounting and financial control systems for use of Federal funds.

Within the Federal Government consultants and experts are not only used for specific, readily identifiable tasks but their efforts are co-mingled in contracts with other more

routine efforts requiring similar skills. For example: some contracts include a level of effort for a period of a year to provide services to a program office. These contracts may have a provision which permits the Government to acquire specific expert advice or counsel as an added task to the normal contract services effort. This and other types of contracts that acquire services and expert advice and counsel as an inherent part of the activities of the basic contract have led into what are called professional services or technical service contracts under a more broad category of non-personal services.

Executive branch policy which establishes a preference for dependency on the private sector is set forth in OMB Circular A-76, "Policies for acquiring commercial or industrial products and services for Government use." This policy applies, with some exceptions, to non-personal professional and technical services.

Figure 1 shows the difference between personal and non-personal services with some generalized factors to be considered when determining the category of service, and some typical examples of each category. The differences between personal services and non-personal services in the furnishing of consultant or expert services is shown in Figure 2. The figure shows

for each category, i.e., personal and non-personal services; the mechanisms for acquiring the services, the nature and extent of payment, the time period that may be covered, and the competition required. More complete information concerning definitions, limitations and examples are included in the Federal Personnel Manual, Chapter 304, "Employment of Experts and Consultants" and in Section XXII of the Armed Services Procurement Regulations.

# CONSULTANT OR EXPERT SERVICES

	<u>Personal Services</u>	<u>Non-personal Services</u>
Generalized Factors to be Considered	<ul style="list-style-type: none"><li>◦ Discharging a Government function which calls for the exercise of personal judgment and discretion on behalf of the Government.</li><li>◦ Either gives or receives day-by-day supervision of or by Government employees</li><li>◦ Government employees schedule day-by-day work efforts.</li><li>◦ Government facilities (office space) &amp; equipment may be utilized.</li><li>◦ Government reserves the right to remove employees from job.</li></ul>	<ul style="list-style-type: none"><li>◦ Works on prescribed tasks on prescribed overall schedule agreed to before work is initiated. --- How to accomplish the tasks is not prescribed.</li><li>◦ The "how to" perform is not prescribed.</li><li>◦ Performs to meet delivery schedules prescribed at outset.</li><li>◦ Government office space, equipment &amp; support not generally provided.</li><li>◦ Contractor has option to remove or replace his employees.</li></ul>
Illustrative Examples	<ul style="list-style-type: none"><li>- Political nominee who has not been confirmed by Senate.</li><li>- Program Manager for acquisition of a system for Government use.</li><li>- Preparation of a staff report where no specialized skills are required.</li><li>- Peer reviews of proposed projects for agency sponsorship.</li><li>- Peer reviews of proposals for grants or contracts.</li><li>- Peer evaluations of contract and grant results.</li><li>- Editing a pamphlet prepared by Government employees.</li></ul>	<ul style="list-style-type: none"><li>- Developing a handbook.</li><li>- Engineering design analysis.</li><li>- Independent management or financial audit.</li><li>- Lectures by an individual.</li><li>- R&amp;D contracts.</li><li>- Field engineering work.</li><li>- System engineering and technical direction of programs.</li></ul>

# CONSULTANT OR EXPERT SERVICES

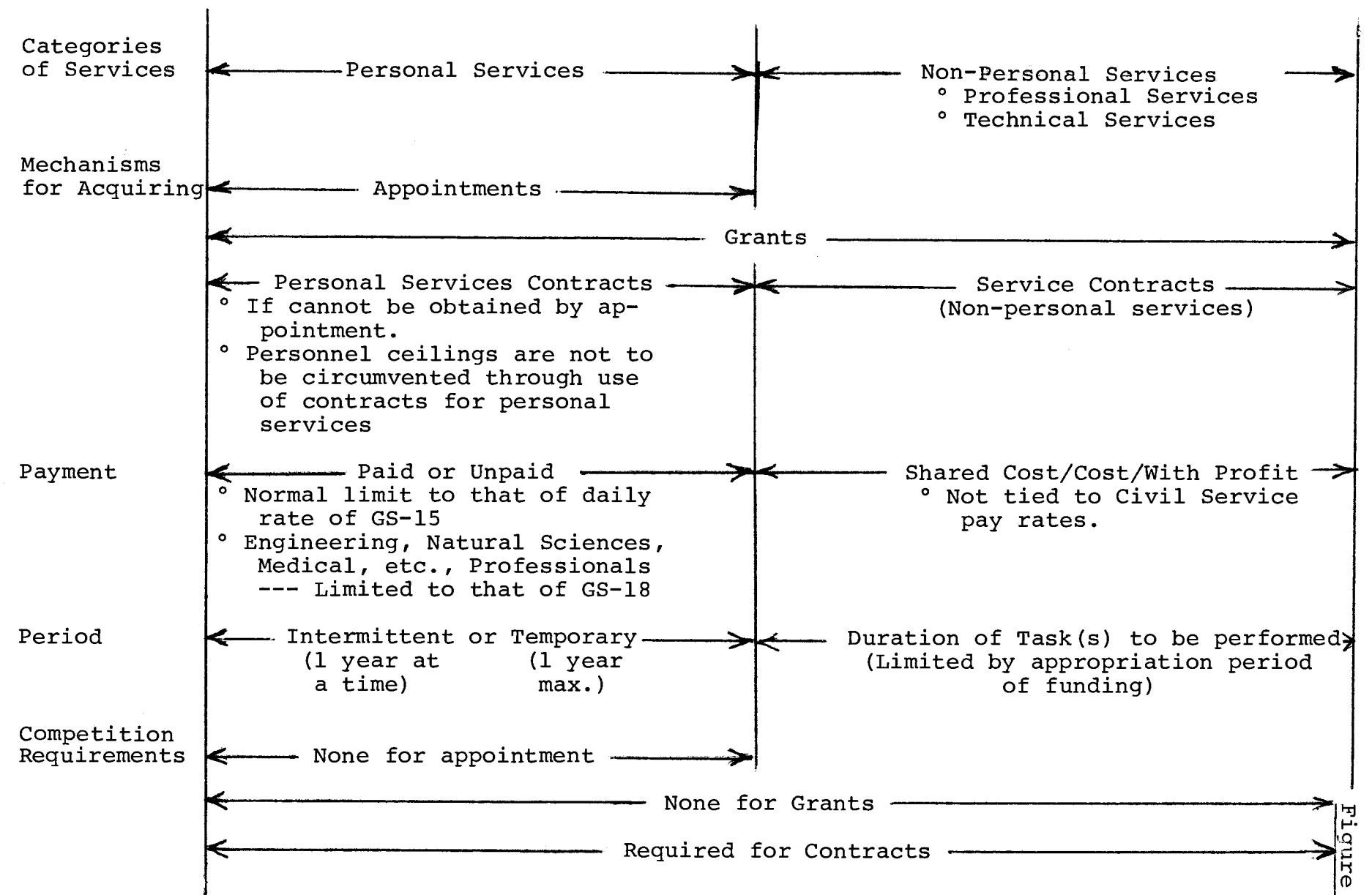


Figure 2

Attachment 4



4/19/77

Senate Committee Survey of Executive  
Agency Use of Consultants

In October 1976, Senator Lee Metcalf, Chairman of the Government Operations Subcommittee on Reports, Accounting, and Management, directed inquiries to 178 executive departments, bureaus, and agencies to request information on their use of consultants and contractors. The Subcommittee's review of Civil Service Commission reports showed 10,777 experts and consultants on the Federal payroll in January 1976. This executive agency survey was intended to gather more details on the use of consultants, and comprehensive data on use of contracts for consulting services. Each agency was asked to respond to specific questions on pertinent policy and practice, and to complete a form for each consultant and contractor who received \$5,000 or more during 1976. This form called for: name and address of consultant or contractor; name and address of parent company, if any; number of employees, full time, intermittent, and temporary; amounts paid or obligated during FY 76; and a brief description of the work performed.

Compilation of this data, most of which did not exist in centralized data files, posed a virtually impossible task for most agencies, particularly in time to meet the requested date in November. In many cases, agencies contacted the Subcommittee staff and arranged to submit a compromise report which was more feasible in terms of time, cost, and resources.

OMB staff reviewed copies of the submissions made by four agencies selected as representative. The following general comments are provided:

Veteran's Administration

The Administrator of the Veteran's Administration reluctantly reported that they were unable to comply with the request. VA has no centralized data bank of such information, and preparation of the desired report would have required coordination with 319 field locations and review of many thousands of individual contracts (there are over 11,000 contracts for medical consultants alone). The Administrator estimated that the costs of the effort, at a bare minimum, would exceed \$100,000 but, more importantly, would divert a significant amount of scarce staff resources from veteran's health care.

National Aeronautics and Space Administration

NASA was able to provide individual reports for seventeen experts and consultants who were appointed under an agreement with the Civil Service Commission and received \$5,000 or more during FY 76. NASA had 454 experts and consultants on the rolls under that agreement on June 30, 1976, of which 206 served without

compensation and 248 provided intermittent services with compensation on a per diem basis. Experts and consultants represented .057% of the agency's in-house work force.

NASA provided summary data for 36 contracts categorized as "management engineering or consultant services" under a NASA procurement regulation, and 92 contracts for research and development and for architect/engineering services which were of a consultant-type nature. Contracts in these two categories amounted to .12% and .32% of total obligations for the agency in FY 76. NASA explained that man-year data on these contracts was not available in the agency's files.

#### Department of Defense

The Department of Defense reported 774 new and renewed consulting appointments in the Office of the Secretary of Defense and the Navy, but stated that data for the Army and Air Force would have to be collected from individual civilian personnel offices around the world. A roster of experts and consultants in OSD was supplied, but the summary data requested for this category would have required review of 950 files at approximately 350 locations.

DOD maintains an automated procurement information system for procurement actions in excess of \$10,000, and furnished the Subcommittee with a computer print-out of available data for consulting-type contracts (approximately 6000 items). To provide the requested information on these actions would require manual review of each document at approximately 900 procurement offices in the Defense establishment. Data on procurement actions under \$10,000 are maintained only in summary form and there were 10 million such actions in FY 76 - to extract information on consulting contracts between \$5,000-\$10,000 would be a large, time-consuming effort.

#### Department of Health, Education, and Welfare

HEW reported 2,004 experts and consultants employed in FY 76, with a total compensation of .2% of the agency payroll. In addition, approximately 4000 people served as members of public advisory groups, with pay only for the few days per year that they actively served. A listing of these individuals was provided, but addresses and description of services rendered were not available in the data system.

The Public Health Service submitted reports on 174 contracts for consulting services, providing essentially the information requested by the Subcommittee. The Office of the Secretary, HEW, provided a computer run of contracts from the rest of the Department from their Department Contract Information System,

but this did not include contractor addresses, man-years of effort, or a description of the work, since this information was not available. This report covered approximately 9000 contracts.

#### Summary

After reviewing the data which agencies were able to provide in response to Senator Metcalf's request, it does not appear that they will be able to furnish much of the detail specified in the Presidential request without a manual review of hundreds of thousands of contracts at locations all over the United States and many foreign bases. Specifically, the following items are not generally available in central repositories:

- Principals and special qualifications of the firm
- Name of project
- Information/advice to be derived
- Dates work commenced and completed
- Degree of need or benefit
- Agency head recommendations
- Any specifics on contracts less than \$10,000

Attachment 5

BR. 8



OFFICE OF THE VICE PRESIDENT  
WASHINGTON

*Dale McOmber*  
*Please give*  
*me your thoughts on*  
*this - Jim*  
*3/29/77*

March 16, 1977

Memorandum for the Vice President

From: Gail

Per your request see attached revised memo  
to Bert Lance on waste in conferences and consulting  
contracts.

THE VP. HAS SIGNED

MEMORANDUM

OFFICE OF THE VICE PRESIDENT  
WASHINGTON

MEMORANDUM FOR BERT LANCE

FROM: FRITZ MONDALE 

SUBJECT: CURBING WASTE IN FEDERAL CONSULTING CONTRACTS AND  
CONFERENCES

DATE: MARCH 17, 1977

As part of the overall program of seeking ways to identify and reduce waste in the federal budget, I would like to suggest the possibility of an OMB review of expenditures for consulting contracts with private firms and for conferences that are either directly or indirectly sponsored with federal funds. I think this might be a worthwhile area for investigation. We might try to pin down how much is being spent on these activities, what the results have been, and whether they are worth the cost.







EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

DRAFT  
April 19, 1977

CIRCULAR NO. A-

TO THE HEADS OF EXECUTIVE DEPARTMENTS AND ESTABLISHMENTS

SUBJECT: Circumstances Appropriate for Use of Consultants

1. Purpose. The purpose of this Circular is to limit the use of consultants to those circumstances that are appropriate for the Federal Government.
2. Background. There has been a growing trend in the Federal Government to depend more and more on consultants, the services of which are rapidly increasing in cost. There have been and continue to be allegations that such consultant services are being used excessively, unnecessarily and in some instances to negate limitations placed on Government functions and numbers of Government employees.

Consultants provide a wide range of services for the Federal Government. Such services may range from: providing unique expert advice, to providing at less cost services normally performed by Government employees, to providing services that normally are acquired from the private sector through routine procurement action. Such services may be obtained from the private sector through use of individuals, small businesses, universities, not for profits, federally-funded research and development centers, large consulting firms, or large industrial corporations. The services of consultants are acquired by

direct hire of individuals in other than full-time permanent positions, through agreements with grantees, or by contractual arrangements with non-Federal organizations for specific services or end-products.

3. General Guidance. When an agency's overall mission is analyzed and goals are set, intermediate objectives are then defined. In order to meet such objectives, programs are established. The manager of each program must consider the resources, including the use of consultants, that will be required to support the effort and to accomplish the program objective.

Consultants are persons who serve as advisers to an officer or instrumentality of the Government, as distinguished from an employee who carries out the agency's duties and responsibilities. Thus, consultants neither perform nor supervise the performance of operating functions. Specific guidance with respect to functions to be performed by Government personnel and those to be performed by the private sector are contained in OMB Circular No. A-49, "Use of Management and Operating Contracts," in OMB Circular No. A-76, "Policies for Acquiring Commercial or Industrial Products and Services for Government Use," and in Chapter 304 of the Federal Personnel Manual, "Employment of Experts and Consultants."

a. These documents provide guidance on the nature of functions that should be performed by Government employees and not by consultants, such as management decision-making.

In general, they prohibit the use of consultants to:

- (1) Perform a task that can be done as well with existing staff resources;
- (2) Perform a basic function of management that involves the selection or direction of Government employees;
- (3) Bypass competitive employment procedures or General Schedule pay limits; or
- (4) Circumvent agency employment ceilings.

b. With the proviso that a consultant's services should be procured only when such services cannot be obtained from within the existing Federal workforce, the following criteria have been established for determining when to obtain consultants.

(1) When the Government personnel resources required for individual programs within an agency are time-phased, there may be peaks in personnel requirements that can be met more economically by the use of consultants than by hiring permanent Government employees.

(2) When program objectives require unique capabilities of experts not found within the ranks of Government personnel, the use of consultants may be justified and appropriate.

(3) From time to time, agencies may require independent, objective, specialized advice from persons who are neither Government employees nor involved in the programs to be reviewed. In such cases, the use of consultants may be justified and appropriate.

(4) In some exceptional cases, speed or urgency may create a need for services that only the use of consultants

can meet until Government personnel can provide such services.

c. When consultant services are to be acquired by contract, agencies shall be guided by the following:

- (1) Assure that all requirements for consultant services are fully justified;
- (2) Work statements for contracts are complete and clearly specify the service that is to be provided.
- (3) Consulting contracts are awarded with adequate competition to ensure that costs are reasonable, and with appropriate conflict of interest provisions when warranted.
- (4) Consulting contracts are properly administered and monitored to ensure that performance is satisfactory.

4. Agency Approvals and Reviews. Each agency should establish specific levels of delegation for authority to approve the use of consultant services, based on the general guidance contained in the above paragraph.

Consultant services should be reviewed quarterly for consistency with the guidance above and for quality and benefits of the efforts involved.

MEMORANDUM

THE WHITE HOUSE

WASHINGTON

May 2, 1977

TO: RICK HUTCHESON

FROM: JIM FALLOWS *JFW*

SUBJECT: Consulting Memo from Lance

Here is my proposed re-write:

I am determined to make the executive branch more economical and efficient. That is why I have been disturbed by the growing use of private consulting services. The costs of these services continue to rise; yet too often they are used in a wasteful and unnecessary way--sometimes to avoid ceilings placed on federal hiring.

We must be sure that we use these services as efficiently as possible. I ask you to review your current use of consulting services and eliminate all those you can do without.

Please use the attached survey forms to assist in your review. When you have completed them, please send the forms--along with your recommendations about continuing or ending each service--to the Office of Management and Budget. I have asked the Director of the Office of Management and Budget to issue general guidelines for the future use of consulting services by the Federal Government.

Along with these forms, will you please submit to the Office of Management and Budget, by May 31, 1977, a summary analysis of the total number and dollar value of the services which are now in effect, of those which should be continued, and of those which should be discontinued.

*See file  
received  
for  
info*



115  
FOB

THE WHITE HOUSE  
WASHINGTON

Date:

MEMORANDUM

FOR ACTION:

Jim Fallows

FOR INFORMATION:

FROM: Rick Hutcheson, Staff Secretary

SUBJECT:

Bert Lance's memo --- Agency Head Review  
of Consulting Services

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: TURNAROUND

DAY: SATURDAY

DATE: April 30

ACTION REQUESTED:

Other: ☐ Your comments

Would like your review of the attached memorandum  
to Heads of Depts. and Agencies

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:



EXECUTIVE OFFICE OF THE PRESIDENT  
OFFICE OF MANAGEMENT AND BUDGET  
WASHINGTON, D.C. 20503

ACTION

April 29, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

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*Bert Lance  
By JRM*

SUBJECT:

Agency head review of consulting services

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- Information on use of consultants was recently submitted to the Congress in response to a request from Senator Metcalf. Those efforts resulted in the identification of 10,777 appointed consultants or experts and tens of thousands of contracts providing consulting or expert services within the Federal Government (Attachment 4).

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Peter Bourne  
Stu Eizenstat  
Jack Watson

The attached was returned in the President's outbox. We will hold the message for possible resubmittal in six weeks when legislative proposals are ready.

Rick Hutcheson

Re: Drug Policy Message

MEMORANDUM

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 25, 1977

*Wait for  
specifics  
J*

MEMORANDUM TO THE PRESIDENT

FROM: PETER BOURNE *P.B.*

SUBJECT: DRUG POLICY MESSAGE

Attached is the initial Drug Policy Statement which we discussed. We will have the second more detailed message with specific legislative proposals in about six weeks.

There are three possible alternatives for releasing this Statement.

- (1) To convene a meeting of the Strategy Council in the next week or so which you would chair, and release the message at that time. We need to convene this group anyway in the next few weeks.
- (2) Release it at the time Lee Dogoloff and I are sworn in as officials of the Office of Drug Abuse Policy. There have been some unavoidable delays in our Senate confirmation, and it may still be 2-3 weeks before we could be sworn in.
- (3) Release it at a special event or news conference.

\* \* \*

- (4) EIZENSTAT: "Peter's proposed Drug Message is quite general. We question whether a message is needed at this time, particularly since a more detailed message with specific legislative proposals is planned for in about six weeks."

NOTE: The Attached draft Message has been rewritten with Jim Fallows' assistance.

---Rick

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for Preservation Purposes**

Watson  
recommends  
Option #2

# THE PRESIDENT'S STATEMENT ON DRUG ABUSE

Drug abuse affects millions of our people. Among young American men aged 18-24, drugs are the fourth most frequent cause of death; only accidents, homicides, and suicides rank higher. Though we long for immediate, absolute solutions, we must take an objective look at this problem.

My Administration is committed to the search for ways to prevent the damage done by drug abuse. We pledge to identify realistic goals and to concentrate our resources on reaching them, through a coordinated, manageable Federal program.

Drug abuse is a global problem. We must work with other nations throughout the world if we are to make any progress. We can no longer view drug abuse merely as an American problem, but must also work with other countries to deal with their own problem of drug abuse. We must begin with the difficult task of reducing the world supply of illicit drugs at their source. Diplomatic initiatives to get all nations to stop

growing harmful drugs are the cornerstone of our strategy.

It is extremely difficult to prevent these drugs from entering our cities once they have been produced.

I have talked with President Lopez Portillo of Mexico.

He is firm in his commitment to eradicate illegal opium poppy cultivation in Mexico. We have a similar commitment from Prime Minister Thanin of Thailand, and government leaders in Burma.

Most of the countries where opium is grown are poor, and the farmers who grow the opium are even poorer. We must work with these countries to find other crops or livelihoods for these farmers so that they can support their families in dignity and economic security. Crop substitution and alternative sources of income for the farmers who grow illegal drugs are humane and reasonable ways to reduce the supply, but they will take a long time. In the meantime, we must persuade other nations to cooperate with us in efforts to prevent these drugs from entering the black market system.

I will be working with the Congress to assure the ratification and implementation of the Convention on Psychotropic Substances. Although the controls this Convention places on certain legitimate pharmaceutical substances are no more stringent than those now required under our own Controlled Substances Act, by ratifying it we will signal to all nations our sincerity in the fight to prevent drug abuse.

Here in our own country, we will continue to apprehend and punish those who illegally sell dangerous drugs both at our borders and in our neighborhoods. They deserve swift, certain and severe punishment and we will find ways to insure that the law enforcement and judicial systems have the necessary tools to accomplish this. We will vigorously pursue those who make large sums of money from drug trafficking and then violate our tax laws by failing to disclose that income.

We will take a fresh look at the drugs used in this country. We will cut through the imagery -- whether they are "soft" or "hard", "street" or "medical" -- and look at the facts.

How many deaths does a drug cause? How harmful is it to the body, how violent or unpredictable is its effect on the mind? What, if any, beneficial use does it have? How does it affect society in general? Then we can organize our laws, regulations and government programs to concentrate on those drugs which are truly most dangerous.

I will place a special emphasis on the safety of all drugs used in medical practice today. We have already begun studies to see whether certain barbiturate sleeping pills are needed. Barbiturates cause many deaths each year in this country and are frequently used in suicide attempts. If they can be effectively replaced by other less harmful substances, we will recommend that their use be restricted so that fewer lives will be lost. Of course, we will carefully consider the the legitimate needs of people who are now using barbiturates under medical supervision.

Finally, we must continue to offer compassion and help to the victims of drug abuse -- without judging or condemning --



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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Ray Marshall to The President (4 pp.) Re: Departmental Activities Summary	4/29/77	A
memo	From Michael Blumenthal to The President (4 pp.) Re: Finance Ministers Meeting in Paris	4/26/77	A
memo	From Harold Brown to The President (4 pp.) Re: Weekly Summary of Department of Defense Activities enclosed in Hutcheson to Brown 5/2/77	4/29/77	A
<del>memo</del>	<del>From Andrew Young to The President (1 page) Re: Weekly Summary of U.S. Mission to the U.N. activities enclosed in Hutcheson to Hugh Carter 5/2/77</del> <i>OPENED 1/18/13</i>	<del>4/28/77</del>	A

## FILE LOCATION

Carter Presidential Papers-Staff Offices , Office of the Staff Sec.-Pres. Hand-writing File 5/2/77 [1] Box 21

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(C) Closed in accordance with restrictions contained in the donor's deed of gift.

with due respect for each person's dignity and individuality.

High quality treatment and rehabilitation can reduce illegal drug use and help to return the victims to the mainstream of society. We must improve our treatment and rehabilitation and make it available to all who want it.

A government cannot completely protect its citizens from all harm, either through legislation and regulation, or by good management and sound organizations. The ultimate solutions lie in solving the problems that cause Americans to turn to dangerous drugs to make up for lacks in their lives. We must especially help our young people work out their own values and goals so that they can participate fully in our society. We must offer them real opportunities in our communities, excitement and challenge in our schools.

I believe that all drug abuse should be discouraged -- including the abuse of alcohol and tobacco. I believe that the harm caused by drug abuse can be reduced. We cannot talk in absolutes -- that drug abuse will be stopped, that no more

illegal drugs will enter our country -- because it is  
misleading to do so. But we can organize the most efficient  
Federal programs possible to help current victims and prevent  
future damage -- and this I promise to do.

THE WHITE HOUSE  
WASHINGTON

Date: April 25, 1977

MEMORANDUM

FOR ACTION:

\* Stu Eizenstat - general statement - is needed since a  
Jody Powell more detailed legislative proposal  
Jack Watson concur is scheduled in 6 wks  
7 Zbigniew Brzezinski (Dunkley)  
Jim Fallows see major rewrite

FOR INFORMATION: The Vice President  
Midge Costanza  
Frank Moore

FROM: Rick Hutcheson, Staff Secretary

SUBJECT: Peter Bourne memo 4/25/77 re Drug Policy Message.

YOUR RESPONSE MUST BE DELIVERED  
TO THE STAFF SECRETARY BY:

TIME: 7:00 P.M.

DAY: Wednesday

DATE: April 27, 1977

ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment

Please note other comments below:

Held for Peter to  
review Fallows  
changes  
RCH

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

If you have any questions or if you anticipate a delay in submitting the required material, please telephone the Staff Secretary immediately. (Telephone, 7052)

Date: April 25, 1977

MEMORANDUM

OR ACTION:

Stu Eizenstat  
Jody Powell  
Jack Watson  
Zbigniew Brzezinski  
Jim Fallows ✓

FOR INFORMATION: The Vice President  
Midge Costanza  
Frank Moore

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☒ Your comments

Other:

STAFF RESPONSE:

☐ I concur.

☐ No comment.

Please note other comments below:

*Statement for Drug Policy message is  
attached.*

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THE WHITE HOUSE  
WASHINGTON

April 25, 1977

MEMORANDUM TO THE PRESIDENT

FROM: Peter Bourne **P.B.**  
SUBJECT: Drug Policy Message

Attached is the initial Drug Policy Statement which we discussed. We will have the second more detailed message with specific legislative proposals in about six weeks.

There are three possible alternatives for releasing this statement.

- (1) To convene a meeting of the strategy council in the next week or so which you would chair, and release the message at that time. We need to convene this group any way in the next few weeks.
- (2) Release it at the time Lee Dogoloff and I are sworn in as officials of the Office of Drug Abuse Policy. There have been some unavoidable delays in our Senate confirmation and it may still be 2-3 weeks before we could be sworn in.
- (3) Release it at a special event or news conference.

PGB:ss

Attachment

THE PRESIDENT'S STATEMENT ON DRUG ABUSE

Drug Abuse affects millions of lives in our <sup>native</sup> ~~country~~.  
The harm done <sup>by the users and those close to them</sup> is painful to witness, and we, as Americans,  
~~as parents,~~ <sup>we</sup> react with sorrow, fear for our children, and  
a ~~desire~~ for solutions. Among young American men aged  
18-24, drugs are the fourth most frequent cause of death -  
only accidents, homicides and suicides rank ahead. <sup>Dr. Sargent and his</sup> We <sup>have</sup>  
must, however, not allow our emotions to <sup>control our thinking</sup> cloud our <sup>imagine as long for</sup> judge- <sup>immediate solutions</sup>  
~~ment~~. We must take an objective look at this problem.

I am committed, and my Administration is committed,  
to the search for ways to prevent the damage done by drug  
abuse, but we will not make promises we cannot keep. We  
do not promise instant answers. We do pledge to identify  
realistic goals, to concentrate our resources on reaching  
them, and to structure and manage those resources effective-  
ly.

We will <sup>plan</sup> ~~review~~ <sup>approach</sup> our ~~priorities~~ from a fresh perspective.  
We will try to look for the real sources of social and  
personal harm, and not be influenced by old myths.

We will create a coordinated, manageable Federal program  
~~with priorities determined by the facts and goals that we~~ <sup>facts and goals that are attainable will determine our priorities</sup>  
~~can achieve.~~

Drug abuse is a global problem. We cannot expect to  
~~find answers only for America.~~ <sup>solve it within our borders alone.</sup> We must work together with

<sup>+ brought</sup>  
all the nations ~~of~~ the world if we are to make any progress.

We must begin with a vigorous attempt to reduce the world supply of illicit drugs at their source. Diplomatic initiatives which can result in the elimination of the cultivation of <sup>harmful</sup> drugs in their source countries <sup>are</sup> ~~must be~~ the cornerstone of our strategy. If all nations work together to reduce the amount of all illicit drugs either grown or manufactured, we will have made a step forward. People cannot experiment with drugs <sup>that</sup> ~~if they~~ are not available. Perhaps even current drug abusers can be persuaded to stop if the drugs become sufficiently difficult to get. Supply reduction at the source is important because it is extremely difficult to prevent these drugs from entering our cities once they have been produced.

I have talked with President Lopez-Portillo of Mexico. He is firm in his commitment to make every effort to eradicate illegal opium poppy growth in Mexico. We have a similar commitment from Prime Minister Thanin of Thailand and government leaders in Burma. Most of these countries where opium is grown are poor and the farmers who grow the opium are even poorer. We must work ~~together~~ with these countries to find other crops or livelihoods for these farmers so that they can support their families in dignity and economic security -- without growing opium.

Crop substitution and income substitution for the farmers



who grow illegal drugs are humane and reasonable ways to reduce the supply, but they will take a long time. In the meantime, we must persuade other countries to cooperate with us in efforts to prevent these drugs from entering the black market system. We must improve our intelligence and organize our efforts in order to have the greatest possible effect on the illegal buying, transportation and selling networks. This is an enormous task, and we cannot hope to completely stop the black market. But, if we are imaginative, <sup>if we</sup> ~~and~~ structure and manage our resources, <sup>effectively</sup> we can ~~strive to make it very dangerous~~ and very difficult to bring illegal drugs into ~~our~~ <sup>this</sup> country.

I look forward to working ~~together~~ with the Congress to assure the ratification and implementation of the Psychotropic Convention. This International Convention places synthetic drugs on the list of internationally controlled substances with controls similar to those now existing for heroin and opium. If we agree to place drugs which we produce in our own country under international control, <sup>we</sup> we would signal our sincerity in the fight to prevent drug abuse of all kinds. We would show that we are willing to share the burden and the sacrifice. <sup>and</sup> ~~We would thereby~~ underline our deep commitment to international cooperation.

Here in our own country, we will vigorously continue to apprehend and punish those who illegally sell <sup>for sale</sup> ~~drugs~~ both at our borders and internally. They deserve swift, certain

and severe punishment and we will be looking at ways to insure that the law enforcement and judicial systems have the necessary tools to accomplish this. Our law enforcement agencies will continue to make <sup>certain that</sup> illicit drugs <sup>are</sup> in the country as scarce and as difficult to get as possible. We will vigorously pursue those who make large sums of money from drug trafficking and then violate our tax laws by failing to disclose that income. This is a huge job and we cannot expect complete success. But with each drop in the availability of drugs at least a few potential abusers are spared.

We will take a fresh look at the drugs used in our country. We will cut through the imagery -- whether they are "soft" or "hard", "street" or "medical" -- and look at the facts. How many deaths does a drug cause? How harmful is it to the body, how violent or unpredictable is its effect on the mind? <sup>How many deaths does it cause?</sup> How does its use affect society in general? Then we can organize our laws, regulations and government programs so that they concentrate on those drugs which are truly most dangerous.

I will place a special emphasis on the safety of all the drugs used in our medical practice today. We have already initiated studies to see whether certain barbiturate sleeping pills are needed. Barbiturates are associated with many deaths each year in our country and are frequently used in suicide attempts. If they can be effectively replaced by other less harmful substances, we will recommend that their use be restricted so that fewer lives will be lost. Of course, careful

consideration will be given to meeting the legitimate medical needs of persons who are now using barbiturates under appropriate medical supervision. I want not only the best medical care for our citizens but the safest.

This much we can do. But a government cannot completely protect its citizens from <sup>either through</sup> ~~harm~~ <sup>the ultimate solutions lie in solving the problems</sup> legislation or regulation. <sup>The cause</sup> We must also re- <sup>Americans to</sup> <sup>turn to dangerous</sup> <sup>drugs to make</sup> <sup>up for lack of</sup> <sup>in their</sup> <sup>national culture and ideas have a real part in making it so.</sup> <sup>can't give</sup> <sup>for evermore</sup> new the participation and enthusiasm of our young people in our values, in our society. We must show them that they can live, contribute to our ~~country's~~ government, prosperity, and strength

-- that they are our most precious resource. We must offer them real opportunities in our communities, excitement and interest in our schools. Then, perhaps, they will not choose to drop out of our society, <sup>or</sup> ~~and~~ to waste their lives in the abuse of any kind of drug -- whether alcohol or heroin, tranquilizers or LSD.

Finally, ~~in this country~~ we must continue to offer compassion and help to the victims of drug abuse. We must ~~provide~~ the best treatment and rehabilitation to those who want it. We must be sincere in our offer of assistance -- not to judge or condemn. <sup>The help offered must be to individual needs, recognizing that we are</sup> <sup>all</sup> We must offer to each person the kind of help he or she wants, with due respect for <sup>each person</sup> ~~their~~ <sup>and individuality</sup> ~~and individuality~~. We have seen that good quality treatment and rehabilitation can reduce illegal drug use and can help to return the casualties to the

mainstream of society. We must make all our treatment <sup>and rehabilitation</sup> high quality and try to make it available to all who want it.

I believe that all drug abuse should be discouraged -- including the abuse of alcohol and tobacco. I believe that the harm caused by drug abuse can be reduced. We cannot talk in absolutes -- that drug abuse will be stopped, that no more illegal drugs will enter our country -- because it is misleading to do so. But we can organize the most efficient Federal program possible. We can work towards helping current victims and preventing future damage -- and this I promise to do.


THE WHITE HOUSE  
WASHINGTON

April 27, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

STU EIZENSTAT 

SUBJECT:

Peter Bourne's Memo Regarding  
Drug Policy Message

Peter's proposed Drug Policy Message is quite general. We question whether a message is needed at this time, particularly since a more detailed message with specific legislative proposals is planned for in about six weeks.

Date: April 25, 1977

MEMORANDUM

FOR ACTION:

Stu Eizenstat  
Jody Powell  
Jack Watson  
Zbigniew Brzezinski  
Jim Fallows

FOR INFORMATION: The Vice President  
Midge Costanza  
Frank Moore

1977 APR 25 PM 5 55

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ACTION REQUESTED:

☒ Your comments

Other:

STAFF RESPONSE:

☒ I concur.

☐ No comment.

Please note other comments below:

*ju*  
Would chose alternative # 2.

PLEASE ATTACH THIS COPY TO MATERIAL SUBMITTED.

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MEMORANDUM

THE WHITE HOUSE  
WASHINGTON

April 29, 1977

MEMORANDUM TO RICK HUTCHESON

FROM: PETER BOURNE **P.B.**

Attached is a redraft of the President's statement on drug abuse on which both Jim Fallows and I concur.

Attachment

THE WHITE HOUSE  
WASHINGTON

April 25, 1977

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# THE PRESIDENT'S STATEMENT ON DRUG ABUSE

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I am committed, and my Administration is committed to the search for ways to prevent the damage done by drug abuse, but we will not make promises we cannot keep. We do not promise instant answers. We do pledge to identify realistic goals, to concentrate our resources on reaching them, and to structure and manage those resources effectively.

We will review our priorities from a fresh perspective. We will try to look for the real sources of social and personal harm, and not be influenced by old myths.

We will create a coordinated, manageable Federal program with priorities determined by the facts and goals that we can achieve.

Drug abuse is a global problem. We cannot expect to find answers only for America. We must work together with

all the nations of the world if we are to make any progress.

We must begin with a vigorous attempt to reduce the world supply of illicit drugs at their source. Diplomatic initiatives which can result in the elimination of the cultivation of drugs in their source countries must be the cornerstone of our strategy. If all nations work together to reduce the amount of all illicit drugs either grown or manufactured, we will have made a step forward. People cannot experiment with drugs if they are not available. Perhaps even current drug abusers can be persuaded to stop if the drugs become sufficiently difficult to get. Supply reduction at the source is important because it is extremely difficult to prevent these drugs from entering our cities once they have been produced.

I have talked with President Lopez-Portillo of Mexico. He is firm in his commitment to make every effort to eradicate illegal opium poppy growth in Mexico. We have a similar commitment from Prime Minister Thanin of Thailand and government leaders in Burma. Most of these countries where opium is grown are poor and the farmers who grow the opium are even poorer. We must work together with these countries to find other crops or livelihoods for these farmers so that they can support their families in dignity and economic security -- without growing opium.

Crop substitution and income substitution for the farmers

who grow illegal drugs are humane and reasonable ways to reduce the supply, but they will take a long time. In the meantime, we must persuade other countries to cooperate with us in efforts to prevent these drugs from entering the black market system. We must improve our intelligence and organize our efforts in order to have the greatest possible effect on the illegal buying, transportation and selling networks. This is an enormous task, and we cannot hope to completely stop the black market. But, if we are imaginative, and structure and manage our resources, we can strive to make it very dangerous and very difficult to bring illegal drugs into our country.

I look forward to working together with the Congress to assure the ratification and implementation of the Psychotropic Convention. This International Convention places synthetic drugs on the list of internationally controlled substances with controls similar to those now existing for heroin and opium. If we agree to place drugs which we produce in our own country under international control, we would signal our sincerity in the fight to prevent drug abuse of all kinds. We would show that we are willing to share the burden and the sacrifice. We would thereby underline our deep commitment to international cooperation.

Here in our own country, we will vigorously continue to apprehend and punish those who illegally sell drugs both at our borders and internally. They deserve swift, certain

and severe punishment and we will be looking at ways to insure that the law enforcement and judicial systems have the necessary tools to accomplish this. Our law enforcement agencies will continue to make illicit drugs in the country as scarce and as difficult to get as possible. We will vigorously pursue those who make large sums of money from drug trafficking and then violate our tax laws by failing to disclose that income. We will work closely with other countries to freeze the assets of major international traffickers.

We will take a fresh look at the drugs used in our country. We will cut through the imagery -- whether they are "soft" or "hard", "street" or "medical" -- and look at the facts. How many deaths does a drug cause? How harmful is it to the body, how violent or unpredictable is its effect on the mind? How does its use affect society in general? Then we can organize our laws, regulations and government programs so that they concentrate on those drugs which are truly most dangerous.

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consideration will be given to meeting the legitimate medical needs of persons who are now using barbiturates under appropriate medical supervision. I want not only the best medical care for our citizens but the safest.

This much we can do. But a government cannot completely protect its citizens from harm by legislation or regulation, by good management, or sound organizations. We must also renew the participation and enthusiasm of our young people in our values, in our society. We must show them that they can contribute to our country's government, prosperity, and strength -- that they are our most precious resource. We must offer them real opportunities in our communities, excitement and interest in our schools. Then, perhaps, they will not choose to drop out of our society, and to waste their lives in the abuse of any kind of drug -- whether alcohol or heroin, tranquilizers or LSD.

Finally, in this country we must continue to offer compassion and help to the victims of drug abuse. We must provide the best treatment and rehabilitation to those who want it. We must be sincere in our offer of assistance -- not to judge or condemn. We must offer to each person the kind of help he or she wants, with due respect for their dignity and individuality. We have seen that good quality treatment and rehabilitation can reduce illegal drug use and can help to return the casualties to the

mainstream of society. We must make all our treatment high quality and try to make it available to all who want it.

I believe that all drug abuse should be discouraged -- including the abuse of alcohol and tobacco. I believe that the harm caused by drug abuse can be reduced. We cannot talk in absolutes -- that drug abuse will be stopped, that no more illegal drugs will enter our country -- because it is misleading to do so. But we can organize the most efficient Federal program possible. We can work towards helping current victims and preventing future damage -- and this I promise to do.

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programs possible to help current victims and prevent future  
damage -- and this I promise to do.

# # #

EYES ONLY

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson

Re: Cabinet Summaries

The attached were returned in the President's  
outbox and are forwarded to you for your  
personal information.

Rick Hutcheson

Attachments:  
Reports from CEA, Commerce, Justice,  
Labor, HEW(2), Treasury, Defense,  
Agriculture, HUD, Interior, Transportation,  
United Nations.

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Bergland -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Farm Bill



DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON, D. C. 20250

C

1977 APR 29 PM 2 21

April 29, 1977

THE PRESIDENT HAS SEEN.

MEMORANDUM TO THE PRESIDENT

THROUGH Jack Watson  
Secretary to the Cabinet

SUBJECT: Weekly Report

*Need to  
hold down  
further on  
floor*

FARM BILL. Thursday the House Committee adopted, 25-20, the Foley/Poage wheat and feed grain substitute. It provides, for 1978, a \$3.00 target price on wheat, \$2.10 on corn. (Compared with the Administration's \$2.90/wheat, \$2.00/corn.) Loan rates for 1978, under their proposal would be \$2.35 on wheat, \$2.10 on corn. (Administration: \$2.25/wheat, \$2.00/corn.) The estimated potential cost -- including \$900 million in repayable loan activity -- is \$2.2 billion. Although they are not endorsed by USDA, if these numbers are acceptable, a "thank you" call from the White House to Foley and Poage would be appropriate. They did a great job in keeping the committee rational.

There is still uncertainty in the Senate but Humphrey is expected to introduce the Foley/Poage substitute. Again, if these numbers are acceptable, Humphrey could use some encouragement from the White House.

(The House substitute also increased 1977 target prices on wheat to \$2.65; corn to \$1.85. This will have a significant budget impact.

IMAGE. The Des Moines Register is seeking files on audits of the USDA meat procurement programs since 1973. The concern and straightforwardness of this Administration, along with our efforts to improve the system, should provide a positive contrast from the past.

Indictments for grain fraud in South Carolina resulted from leads provided by Federal Grain Inspection personnel. Another plus for our efforts to clean up this trade.

BEEF. Rainfall in the Plains States has improved the hay and pasture outlook increasing, over the past five weeks, replacement cattle prices \$5 to \$8. This has relieved much of the anxiety in that industry.

  
BOB BERGLAND

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THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Harris -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Condominium Task Force





THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT  
WASHINGTON, D. C. 20410

April 29, 1977

1977 APR 29 PM 5 30

THE PRESIDENT HAS SEEN.

MEMORANDUM FOR: The President

SUBJECT: Weekly Report of Major Departmental  
Activities

The following are brief descriptions of significant activities at the Department of Housing and Urban Development.

Urban and Regional Policy Group. The Group held its first deputies' meeting to determine procedural arrangements and to begin preparation for discussions by the Principals. The first task will be to prepare a status report on the Group's activities by early summer. This report will include, as part of an urban strategy, policy areas which require long-term discussion and analysis, and those which can be addressed more rapidly, such as improvement in the coordination and implementation of Federal programs. Representatives of the Office of Management and Budget and the Office of the Vice President, met with the deputies. Other Federal agencies will be consulted when appropriate.

Initial discussion will be on three topics -- Federal program coordination, economic development and urban finance, and neighborhood stability and revitalization. The Office of Management and Budget will be the lead agency for coordination issues while HUD, Commerce, and Treasury will jointly lead the discussions of economic development and urban finance.

Major Disaster Activity. The Disaster Assistance Centers in Alabama, Kentucky, and Virginia have now completed their operations. Although West Virginia still has one operating center, it is expected to complete its work next week. Applications for assistance still will be accepted from disaster victims through individual Federal agency field offices.

Our original estimate of 16,700 applications for disaster unemployment assistance has been increased to 18,700. To date, 15,429 applications have been filed and we expect this program to cost over \$4 million. Over 12,000 applications for assistance under the grant program for individuals and families already have been filed. We expect these grants to average \$2,500, except in Alabama where experience indicates that

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the average will be \$1,800. So far, 38,451 individuals have been approved for Emergency Food Stamps in Kentucky, West Virginia, and Virginia. This program was not necessary in Alabama.

Project applications for assistance to State and local agencies are being processed in FDAA's disaster field offices. Direct Federal assistance, principally for debris clearance by the Corps of Engineers, is being arranged where local governments do not have the capability to perform or contract for necessary work. At present, we estimate that eligible public assistance work funding will reach \$39 million.

Disaster Housing. Temporary housing for flood victims continues to be the major problem in disaster relief operations in Kentucky, West Virginia, and Virginia. Current estimates place the temporary housing requirement at 7,675 families. To date, 402 families have been housed.

We are experiencing considerable difficulty in finding suitable group sites for mobile homes outside of flood areas. In order to expedite mobile home site development, FDAA has declared it is in the public interest to develop these sites, complete with utilities, at Federal Expense and the Corps of Engineers will develop the sites. Where possible, we are utilizing the Minimal Repair Program to make repairs to the homes of flood victims in order to make them habitable.

Because alternate housing is available for disaster victims in Alabama, our efforts there have been far more successful. To date, 90 percent of the displaced disaster victims have been housed.

Because there has been local criticism of flood relief efforts which is now being reflected in national media coverage of the disaster area, the Department is preparing a fact sheet explaining, in detail, how HUD's temporary housing program works. The purpose of this fact sheet is to increase media and local understanding of the unique difficulties encountered in placing mobile homes in the deep, isolated valleys of West Virginia and Kentucky.

Flood Insurance Activity. To handle flood insurance claims resulting from flooding in eight Louisiana parishes, our Federal Insurance Administration (FIA), in coordination with FDAA and the National Flood Insurers Association, has established local claims handling facilities. Two hundred claims already have been reported.

To date, over 2,000 flood insurance claims have been reported in Kentucky, West Virginia, and Virginia.

Demonstration Rehabilitation Program. Four additional cities have been selected for participation in the Section 8 Demonstration Rehabilitation program. They are Philadelphia (450 units), Newburyport, Massachusetts (100 units), Lawrence, Massachusetts (100 units) and Brockton, Massachusetts (140 units). Seven other communities, including New York and Atlanta, already are participating in the program, which provides a bonus allocation of Section 8 funding to cities that submit a labor management agreement incorporating revised wage rates and work rules for rehabilitation. These agreements, which will be used by the Department of Labor to establish a separate wage classification for rehabilitation, are expected to result in substantial cost savings. A total of \$50 million of Section 8 contract authority, which will support approximately 11,000 units, has been set aside for the program.

*Keep me informed* ( Condominium Task Force. A number of complaints from Florida condominium owners have been referred to us because this Department chairs the Condominium Task Force. The major issue is escalation clauses in recreation leases. This week, HUD representatives met with staff of the Federal Trade Commission and the Department of Justice to coordinate our respective efforts on consumer protection for condominium owners, with specific discussion of these escalator clauses.

Emergency Homeowners Relief Act Report. The Eleventh Report to the Congress on the status of the Emergency Homeowners Relief Act was transmitted to the Congress April 22, 1977 as required by statute. This Report noted that the current default index, based on data through December 1976, is 1.11. Since this figure is below the 1.20 index mark required to "trigger" provisions of the Act, the program will remain inactive. Indications are that a small increase over the December figures will occur in the first quarter of 1977 but that the index will recede thereafter.

Citizen Forums on Urban Growth. To obtain citizen input for the 1978 Report on Urban Growth, HUD has scheduled ten Citizen Forums on Urban Growth during May and June. The public announcement of the Forums which appeared in several professional journals this week resulted in numerous inquiries. Mayors of the ten Forum Cities have been extended special invitations to attend and letters will be sent to the Governors this week. Our mass mailing of brochures will begin this weekend.

Radiation Hazard at the Rocky Flats Atomic Weapons Facility. With the growth of the Denver metropolitan area, substantial housing development has occurred near the Rocky

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Flats atomic weapons facility. There is recent evidence of actual and potential escape of radioactive contaminants which may have an impact in housing areas. HUD is involved because the Department is a major provider of mortgage insurance in the area.

Although the magnitude of radiation danger remains debatable, the EPA Regional Office wrote to HUD's Denver Regional Office on April 20 to recommend that HUD, in its Environmental Impact Statement on two developments in Westminster, Colorado, discuss the impacts of the postulated maximum credible accident which could occur at Rocky Flats. EPA also recommended that HUD examine the Radiological Emergency Response Plan for Rocky Flats to determine the weapons plant's compliance with this requirement of Federal law.

Because of existing radiation levels at the site and the fact that there is no assurance that these levels will not increase, EPA also recommends that the possible radiation hazards be disclosed to potential home purchasers so they can make informed decisions about risks. The Regional Office anticipates protests from developers against any such requirement.

House Committee Action on HUD's Fiscal Year 1978 Authorization. On Thursday, the full House Banking, Finance, and Urban Affairs Committee reported out a Fiscal Year 1978 Authorization Bill for HUD which grants the President's requests for a 3-year authorization for community development block grants, a new \$400 million Urban Development Action Grant program, and authorization for 400,000 units of assisted housing. Floor action is expected to begin on Wednesday of next week.

Passage of the 1977 Supplementals. The HUD supplemental appropriation and authorization bills for Fiscal Year 1977 have now cleared both Houses. Both are substantially as requested by the President. The authorization bill provides for a National Commission on Neighborhoods which is to render a report and expire one year from the date funding becomes available. No funds for the Commission are contained in the supplemental appropriation bill.



Patricia Roberts Harris

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Andrus -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Rescissions or Deferrals

cc: Bert Lance



THE SECRETARY OF THE INTERIOR  
WASHINGTON

April 29, 1977

1977 APR 29 PM 5 34

THE PRESIDENT HAS SEEN.

MEMORANDUM TO THE PRESIDENT

FROM: The Secretary of the Interior

SUBJECT: Major Topics for the Week of April 25

I have received the decision that we will not send up rescissions or deferrals on the water project's monies for FY - 77. I understand why the decision was made, but we will now be granting sizeable construction contracts on projects that we say should be deauthorized. The press will be asking why.

*I didn't  
know  
about  
this*

The strip mining bill is coming along very well in the Congress. Controversy prevails, but we are winning more than we are losing. ✓

Your memorandum on lead authority, dated April 27, was received and I will continue the lead resource management leasing unless you give further direction. Dr. Schlesinger and I have an understanding that works, although we both suffer from staff being overly aggressive. ✓

Time spent testifying this week totaled 4 1/2 hours with 6 hours of preparation. ✓

*Cecil D. Andrus*  
CECIL D. ANDRUS

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THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Adams -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Air Bag/Passive Restraints  
and  
Surface Transportation Policy  
and Regulation





THE SECRETARY OF TRANSPORTATION  
WASHINGTON, D.C. 20590

cc: To Adam  
JC.

April 29, 1977  
THE PRESIDENT HAS SEEN. 1977 APR 29 PM 5 33

MEMORANDUM FOR THE PRESIDENT

THROUGH JACK WATSON

FROM: BROCK ADAMS

SUBJECT: DOT Issues for Presidential Review

*Brock Adams*

This memorandum summarizes the status of significant issues or activities now pending at the Department of Transportation.

Air Bag/Passive Restraints

ACTION

On Wednesday and Thursday, April 27 and 28, I finished the Public Hearings on Automobile Passive Restraints (Air Bags or Automatic Seat Belts). I am now preparing option papers. This subject is very controversial and I need to know if you want to personally be involved in making this decision. Final action must occur by July 1, 1977, to give appropriate lead time to manufacturers if passive restraints are mandated.

☒ Presidential Involvement Desired

☐ Proceed with Secretarial Decision

*Just discuss  
privately with  
me - J*

Coal Slurry Pipelines

ACTION

Legislation (H.R. 1609) introduced by Representative Bob Eckhardt, is pending before the House Interior Committee which would give coal slurry pipelines the right of eminent domain. The Federal Energy Administration testified earlier last week that an Administration position would be announced by today, April 29th. DOT has not been asked to testify but has serious concerns about the effect of pipeline construction on existing transportation of coal. The Department of Transportation has expressed this view to OMB and I have personally indicated to Jim Schlesinger and I hope you will support only selective use

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of the pipelines with environmental and transportation impacts being determined before they are built. We have often built with Government assistance redundant transportation systems through an area and then had to subsidize their operation. *9 agree*

#### Clean Air Act/Fuel Emissions

#### INFORMATION

On April 25, I testified before Chairman John Dingell and other members of the House Energy and Power Subcommittee along with a panel of Administration witnesses. The hearing was called for examination of fuel efficiency in automobiles but rapidly shifted to auto emission standards. I stated the Administration's proposed auto emissions schedule can be met without a negative impact on fuel economy as improved technology is applied through the time period involved.

Subsequent to the hearing, Mr. Dingell's amendment failed by a vote of 21 to 21 in the full Commerce Committee mark-up and a substitute amendment from Representative Rogers, containing the Administration's emissions schedule, was adopted. Mr. Dingell will undoubtedly offer his amendment in the House when the bill is up for consideration. *5*

#### International Discussions

#### INFORMATION

On Tuesday, April 26, I met with British Secretary of State for Trade, Edmund Dell, Deputy Secretary of Trade Patrick Shovelton and Ambassador Ramsbotham. We had a detailed discussion of civil aviation and shipping issues pending between our nations. These included the U.S.-U.K. bilateral negotiations, Concorde, cargo preference, tanker safety, and U.S. Justice Department criminal charges against British liners. I was firm in stating the U.S. could not give up round-the-world rights or grant a U.K. veto over capacity of U.S. carriers. The Minister was firm on his statements that it would be politically intolerable for the U.K. to sign a new transatlantic air service agreement and then lose the right to operate Concorde flights. I indicated to him that I would talk to you and Ambassador Boyd before any final decision was made on Concorde flights. *5*

#### Locks and Dam 26/Waterway User Charges

#### INFORMATION

On Monday, May 2, General Graves of the Corps of Engineers and I are scheduled to testify before the Senate Public Works Committee on legislation concerning the rehabilitation/replacement of Locks and Dam 26 at Alton, Illinois, and the

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imposition of user charges to recover Federal costs for waterway investment. I have now cleared testimony with OMB which will generally provide the following:

1. DOT and Army Corps of Engineers should put off the decision regarding construction at this site and instead proceed immediately with the work necessary to make the system safe while testing certain engineering techniques that might be employed to rehabilitate the existing structure.
2. With respect to waterway user charges, I will support cost recovery and suggest that the preferred approach would be basically through a system of fuel taxes analogous to those collected from the air and highway modes.

Concorde: Court Hearing on Landing Rights at JFK      INFORMATION

On Thursday, April 28, U.S. District Judge Milton Pollack held a court hearing in Manhattan on the suit by British Airways and Air France challenging the New York Port Authority Concorde ban. The Judge's questioning of the attorneys indicates he may rule in favor of the airlines and against the Port Authority. The Judge stated that he was prepared to rule very quickly but would receive supplemental briefs until May 6. We therefore expect a decision soon.

Surface Transportation Policy and Regulation      INFORMATION

Pursuant to our discussion at the Cabinet meeting last week, DOT is preparing an overall transportation policy with appropriate legislative proposals. That will follow after the Administration's energy proposals.

I was deeply concerned this week to see in the OMB reorganization report circulated to the Cabinet that deregulation of our surface transportation was on the agenda. I am now informed that a similar item is on the agenda of the Economic Policy Group of the Cabinet.

As I have previously indicated to you and Stu Eizenstat, this proposal is so controversial that discussion of it by the Economic Policy Group in the Administration and the publicity this will receive has already inhibited the Aviation Regulatory Reform Bill and will make the passage of meaningful change in overall transportation policy almost impossible since the transportation community and the Congress will focus on deregulation instead.

*Brock - Talk to Stu & Mike*  
*J*

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GENERAL SERVICES ADMINISTRATION

GSA FORM 7122 (REV. 5-82)



THE PRESIDENT HAS SEEN.

Office of the Attorney General

Washington, D. C. 20530

April 29, 1977

9  
/

MEMORANDUM FOR THE PRESIDENT

RE: Principal activities of the Department  
of Justice for the week of April 25  
through 29

1. Events and Meetings

The Attorney General met with Harrison Wellford and Richard Pettigrew to exchange ideas on reorganization and make a mutual commitment to cooperation; held a luncheon meeting with ex-Senator Joseph Tydings, Jane Frank, and Assistant Attorney General Dan Meador to explore ways to mobilize the support of various interest groups behind the proposals of the Office for Improvements in the Administration of Justice; held a question and answer session with U.S. News and World Report; met with Senator Kennedy to discuss reform of LEAA and other topics; and accompanied Jim Moorman, the Attorney General's selection for Assistant Attorney General in charge of the Land and Natural Resources Division, on visits to several Senators for get-acquainted sessions.

2. FBI Indictment

The Attorney General met with ten FBI agents from around the country selected by their fellow agents to present the feelings and thoughts of FBI personnel on the indictment of agent John Kearney, and met separately with four supervisors of the New York office (where Kearney worked) to discuss practices at that office during the period covered by the indictment. Two themes ran through both discussions -- the agents emphasized the damage to FBI morale from the indictment, and the Attorney General emphasized the need for law enforcement agencies to follow the rule of law.

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In testimony before the Senate Appropriations Committee, the Attorney General suggested that the Government might have a moral obligation to pay the attorney fees of indicted FBI agents, and Director Kelley defended his Agency at some length. The Attorney General has received several inquiries from Senators who are desirous of assisting indicted FBI agents.

3. Undocumented Alien Study

The Cabinet recommendations concerning the problem of undocumented aliens were presented to Jack Watson's office for the President's attention Wednesday, April 27. A final Cabinet level meeting was held Tuesday to finalize the recommendations. Deputy Secretary to the Cabinet, Jane Frank, arranged for a briefing session by Terry Adamson, of the Attorney General's office, and Charles Kanpp, of Secretary Marshall's office, with Congressmen Rodino and Roybal. Both Congressmen hope to have an opportunity for input to the President prior to any public announcement of an administration policy on this subject.

4. DOJ-LEAA Study Group

The internal departmental study group of LEAA is operating and making progress. An option paper for review by the Deputy Attorney General will be ready no later than May 30. The regional office study results as to LEAA will be incorporated into the May 30 paper. A status report on the regional office study will be provided to the Deputy Attorney General this week.

5. Two-Year Program

The Attorney General informed the heads of divisions, offices, and bureaus in the Department that he considered the transition period completed, and asked then to submit two-year programs to him so that he could develop a comprehensive set of departmental goals to be presented to the President. (A copy of the Attorney General's memorandum is attached.)

6. Wiretap Legislation

The Administration's wiretap legislation was completed and efforts were begun to enlist as many sponsors as possible in the Senate. The Attorney General's office is leading and coordinating this effort.



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THE PRESIDENT HAS SEEN.



THE SECRETARY OF COMMERCE  
Washington, D.C. 20230

April 29, 1977

"FYI"

REPORT TO THE PRESIDENT

1977 APR 29 PM 1 33

Subject: Department of Commerce Priority Issues

ONLY GOOD THINGS HAPPENED THIS WEEK.

I am most encouraged by the progress being made both within and by the Department. Our programs are functioning smoothly and the new initiatives, which I have mentioned before, are rapidly being refined into clearly focused goals toward which each element of the Department will contribute.

The following actions I feel are of special importance this week:

- Status of LPW Program. As you know, the Congressional conferees reached agreement on the \$4 billion public works bill this week, thus setting the stage for implementation of a major component of the Administration's economic stimulus program. The expenditures authorized by this bill, which will be the first legislation related to the stimulus package to be enacted, will benefit the economy, create needed job opportunities, and provide useful public facilities in economically depressed areas. I am particularly pleased with the role played by my staff in working with Congress to modify many of the objectionable features of the original legislation.

The Economic Development Administration is prepared to issue program regulations, procedures and guidelines shortly after the signing of the legislation and to start funding projects in mid-June. This will allow projects to be undertaken during this construction season, thereby increasing the economic stimulus and employment generation impacts.

- Tuna/Porpoise. This week I took two occasions to make public statements clarifying DoC policy in the enforcement of regulations under the Marine Mammal Protection Act. Specifically, I articulated a policy of reasonable enforcement with respect to the depleted eastern spinner porpoise, which will be limited to intentional violations. Some vessels have begun fishing again and I am hopeful that the majority of the fleet will return to sea soon.

- Flood Relief to West Virginia. I am also pleased to report that the Commerce Department's Economic Development Administration has responded in an exemplary fashion to the floods that devastated southwestern West Virginia earlier this month. Working in concert with Senators Byrd and Randolph, Congressman Rahall, other Federal agencies and your White House staff, EDA not only sent personnel to work with mayors of the three hardest hit communities, but on Wednesday approved approximately \$130,000 in grant assistance to hard-hit Mingo County, three communities in that county, and a multi-county development organization. With this aid, the grantees will hire full-time staffs to handle responses to the problems caused by the flooding. Both the Congressional delegation and West Virginia residents have expressed great satisfaction with EDA's timely response.

*Juanita*  
Juanita M. Kreps



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THE PRESIDENT HAS SEEN,  
THE WHITE HOUSE  
WASHINGTON

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MEMORANDUM TO: THE PRESIDENT

FROM: Jack Watson,  
Jane Frank

April 29, 1977

RE: Cabinet Summaries for Week of April 25  
through 29; Miscellaneous Items

We attach weekly summaries received from the following departments:

Agriculture	Interior
Commerce	Justice
CEA	Labor
Defense	Transportation
HEW	Treasury
HUD	UN

We are also transmitting memoranda for your information as follows:

1. Mike Blumenthal's summary of his meeting last Saturday with finance ministers in Paris;
2. Joe Califano's comments on the publication, Cripplers and Killers, submitted pursuant to your request.

We have circulated to the entire Cabinet additional thoughts from Brock Adams on ways to spend revenues from taxes in the energy plan. Comments have come back from Agriculture, Interior and Treasury and, after Jim Schlesinger has a chance to review them, we will forward a summary to you. Brock called earlier this afternoon to say that two New York Times reporters had asked to see his memorandum. He concurred in our advice that it should not be released, and we have told Rex Granum about the incident.

Attachments

CC: The Vice President

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THE PRESIDENT HAS SEEN.  
THE CHAIRMAN OF THE  
COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

1977 APR 29 PM 3 56  
April 29, 1977

MEMORANDUM FOR THE PRESIDENT

From: Charlie Schultze<sup>LLS</sup>

Re: CEA Weekly Activity Report

Budget Presentation. My staff has assisted me in preparing materials for the presentation on Monday to you, and later to members of Congress, on the long-range budget outlook.

Welfare Reform. I met Thursday with representatives of the Departments of Labor and HEW to discuss welfare proposals, and further meetings will be held. My staff has been providing me with considerable background information on various welfare proposals.

Energy Program's Impact. CEA staff members are preparing a detailed evaluation of the impact of the Administration's energy proposals on the economy. We are working with Jim Schlesinger's energy staff, with Treasury, and with other affected agencies to produce accurate estimates for use throughout the Administration.

Adjustment Assistance. CEA has provided to the Commerce Department an analysis of the options and problems we face in formulating the new trade adjustment assistance program that you promised as part of the footwear import relief decision. We are working closely with Treasury, Commerce and other agencies in an effort to refine the various proposals.

OECD meetings. I met this week with representatives to the Economic Policy Committee of the OECD. Members of my staff are also preparing materials for members of the CEA who will attend OECD meetings in Paris in May and June to review the economic situation of the OECD countries. I will personally head the U. S. delegation to a meeting of the EPC in June.

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Council on Wage and Price Stability. Opposition to an extension past September 30 of the life of the Council on Wage and Price Stability grew up quite suddenly in Congress this week. Apparently, members of Congress came to believe that the Administration was lukewarm on the extension of CWPS, and were swayed by opposition to the extension by the AFL-CIO and the U.S. Chamber of Commerce. Along with Treasury and OMB, we have emphasized our commitment to the Council and expect to see it renewed soon.

Honolulu Speech. At the special request of the White House press office, I am leaving Monday afternoon to give a speech Tuesday in Honolulu to the American Society of Newspaper Editors. I expect to arrive back in Washington on Wednesday night. In my absence, Lyle Gramley will be available to assist you.

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Blumenthal

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

*Tax Reform*

They've been  
great friends  
to us -

Next Tuesday, the U.S./Saudi Arabian Joint Commercial Commission meets here to discuss financial relations between our countries. I will also be meeting privately with the powerful Saudi Finance Minister, Abal Khail, who wishes to discuss Saudi Arabian participation in the proposed Witteveen facility and Saudi investments in the United States. These meetings provide an important opportunity to deepen Saudi involvement in the international system for recycling oil payments surpluses and deficits.

The House Government Operations Subcommittee on Intergovernmental Relations has agreed to your counter-cyclical proposal for the final quarter of FY 77 and the first two quarters of FY 78. The Subcommittee voted, however, to change the method of local allocation from an unemployment test to a tax effort test.

The House Banking Subcommittee on Financial Institutions has rejected the Administration's proposal for a pilot project lending facility for consumer cooperatives. The Subcommittee instead voted 11 to 7 in favor of the bill as drafted. Full committee mark up is scheduled for May 4.

The House on Monday approved H.R. 5675, to authorize the Secretary of the Treasury to invest public moneys. The measure passed by a roll call vote of 384 yeas with one member voting "present".

Good

Through April 22, 1977, the ten IRS service centers had received 79.0 million individual income tax returns. Many taxpayers filed their returns later this year. The average processing time has been reduced by approximately two days nationwide. The average refund of \$444 is up \$27 (6%) from \$417 in 1976. Participation in the Presidential Campaign Designation Program increased this year, a 4.8% increase over the amount designated last year. Thirty-six percent of this year's individual returns were filed on Form 1040 A as compared with 35% last year.

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THE SECRETARY OF THE TREASURY  
WASHINGTON

THE PRESIDENT HAS SEEN.

April 29, 1977  
1977 APR 29 PM 2 45

FYI

cc Mike  
JC

MEMORANDUM TO THE PRESIDENT

SUBJECT: Highlights of Treasury Activities

During the past week, we announced plans to retire \$1.2 billion of the public debt. The strong cash surplus in this quarter, largely a result of the rebate cancellation, permitted this retirement. Predictably, the money and bond markets responded favorably to this vivid evidence of our reduced borrowing needs. Treasury will not need to raise net new cash until late August or early September, although we will then require \$12 to \$15 billion.

I met with Senator Long and Chairman Ullman to review our revised legislative schedule for tax reform. Both were pleased, and promised to help expedite consideration of both that package and the energy proposals. I will be ready to present a first review of our thinking on the shape of tax reform shortly after our return from the summit.

*I feel  
that we're  
dragging -  
We've not  
set basic  
principles yet.*

At the meeting of the Interim Committee of the International Monetary Fund in which I participated this week, we obtained agreement on expansion of IMF resources in two ways. The Committee strongly endorsed the Managing Director Witteveen's efforts to arrange for credit lines from OPEC and major industrial countries. The Saudis did not give us a specific figure for their contribution. Since the amounts which other countries are prepared to lend is dependent on the amount of the Saudi commitment, we had to leave the overall size of the facility open. We hope to pin it down within a month. In addition, the Interim Committee endorsed an increase in the quotas of the IMF. No agreement was reached on the size of the increase although it is not likely to exceed 50%.

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The U.S. Customs Court has agreed to an early hearing on the Zenith case. Briefs will be filed on May 12, with oral argument set for June 8. This could mean a decision by August or early September, with certiorari to the Supreme Court, by one side or the other, in early fall, with possible resolution by the end of the year or early 1978.

On April 21, at your direction, the Secret Service established EPS protection for the Permanent Mission of Turkey to the United Nations in New York City; and temporarily extended protection to the United Nations Missions of Israel, Jordan, Syria, Lebanon, League of Arab States and Palestine Liberation Organization. My staff is working with Bob Lipshutz and the State Department in trying to resolve the problem of temporary protection of those missions. Although our present method is expensive, all other alternatives may be undesirable or more costly.

*I told  
Cy Vance  
to terminate  
check with  
home*

*Mike*

W. Michael Blumenthal

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THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Califano -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Reporting Requirements  
Higher Education



THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

THE PRESIDENT HAS SEEN.

April 29, 1977

1977 APR 29 PM 2 59

MEMORANDUM FOR THE PRESIDENT

SUBJECT: Weekly Report on HEW Activities

The following is my weekly report on significant activities within the Department of Health, Education, and Welfare.

Cost Containment: We are now beginning systematic efforts on Capitol Hill to gather support for your hospital cost legislation. We will begin to get a more precise sense of the political climate next week when the House Health Subcommittees hold joint hearings on the bill. Editorial comment has been surprisingly favorable for such a controversial proposal -- with the New York Daily News and the New York Times on our side. Even the Chicago Tribune admitted that you took the issue head-on and might just be right.

Handicapped Regulations: In the short term, I expect the regulation will receive very mixed reviews, with some praising it as a long overdue step vindicating the civil rights of handicapped Americans and others objecting heatedly that it is too far-reaching and burdensome. After initial reaction to the regulation, we will be better able to assess the reception that you, the Vice President and I will receive at next month's White House Conference on Handicapped Individuals. The American Coalition of Citizens with Disabilities, the umbrella group for many handicapped organizations, immediately issued a statement saying that the regulation is "an eminently fair one that will be readily enforceable and that will be viewed by disabled Americans throughout this nation as a cause for rejoicing."

In the longer term, it is possible that Congress will attempt to trim back parts of the regulation as pressure builds among recipients. Whether that will happen depends, to an extent, on the ability of HEW to enforce the regulation with sensitivity, fairness and common sense. I believe the regulation can work and intend to make it work.

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cc Calipano



THE PRESIDENT HAS SEEN.  
THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE  
WASHINGTON, D. C. 20201

APR 18 1977

1977 APR 18 AM 10 03

MEMORANDUM TO THE PRESIDENT

SUBJECT: Comments on the Publication Cripplers and Killers

As you requested, I have had the publication Cripplers and Killers, A Profile of Georgia assessed as to its suitability for a similar, nationwide effort and for advisable action by the Federal Government.

A number of States and regions also produce social and health statistical profiles similar to the one prepared in Georgia. The Department, through the Public Health Service, encourages these efforts and has provided broad guidance, data and technical assistance to such State analyses.

Because States differ in population, health problems, needs and priorities, and because considerable expertise exists in many States, we feel that the content and priorities of these analyses are most appropriately determined by the States themselves.

With respect to the concept of a similar effort at the national level, such efforts are already underway in the Department. The Public Health Service, through the National Center for Health Statistics, is engaged in several activities at the national level similar to those underlying the analysis from Georgia. These activities include an annual report to you and to the Congress on the health and health care system of the Nation and a number of publications concerning variations in rates of death and disease among geographic areas. In addition, the recent growth of health planning activities has stimulated Departmental efforts focusing on the geographic patterning of health care financing, resources and utilization as well as the identification of geographic or service areas with high rates of death and disease. If you wish, I will provide you further information and several published examples of the Department's efforts in this area.

  
Joseph A. Califano, Jr.

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AGENDA FOR BUDGET AND  
ECONOMIC PRESENTATIONI. The President

1. Purpose of meeting is to look ahead over five-year period
  - at the economic objectives we can reasonably seek
  - at the Federal budget outlook, and how it relates to those objectives
  - at the prospects and problems of achieving both a high level economy and a balanced budget by 1981.
2. How can Congress and the Administration cooperate in meeting those objectives?

First

- we in the Administration need to understand better how the Congressional budget process works;
- in its first two years the new process gave the Congress an independent means of making overall budgetary and fiscal policy, with a Republican President in the White House;
- now, we need to talk about how we can work cooperatively towards ends we both share, while still respecting each other's independence.

Second

- both the Congress and the Administration have to develop better means of making longer-term budget policy;
- the decision we take this year will influence the budget not just in 1978 but in the years beyond;

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- even with a strong economy bringing in a large growth in revenues, the budget margin in 1981 is not very large, if we are to balance the budget;
  - making excessive commitments now will preclude balancing the budget in 1981 and rob us of any flexibility in the future.
3. In this meeting we hope to start the process of exchanging views about how we can work together to do better planning for the future.
  4. I want to start by asking Senator Muskie and Chairman Giamo, particularly for the benefit of my Cabinet and me, to discuss the role of the Congressional budget process and how we in the Administration can best work with it.

Then I will turn to CEA Chairman and OMB Director for brief summary of economic objectives and long-run budgetary outlook. Hope that both Cabinet members and members of Congress will break in at any time for questions and discussion.

(Note presence of Arthur Burns and Alice Rivlin)

II. Senator Muskie

III. Chairman Giamo

IV. CEA Chairman Schultze

- economic objectives
- relationship of economy and budget
- what kind of economic performance do we need to meet both our economic and budgetary objectives.

V. OMB Director Lance

- outlook for revenues and expenditures
- major "threats" to budget balance
- need for difficult choices

The reviews by the agencies, the formatted information to be submitted to OMB and the issuance of guidelines would also be responsive to Vice President Mondale's initiative (Attachment 5).

The preliminary draft (Attachment 6) will require additional refinement before issuance

II. RECOMMENDATION

That you sign the letter to heads of departments and agencies.

Approve \_\_\_\_\_ Disapprove \_\_\_\_\_

THE WHITE HOUSE

WASHINGTON

MEMORANDUM FOR THE HEADS OF EXECUTIVE DEPARTMENTS AND AGENCIES

*As I have*  
*red*  
*have a*  
In my continuing search for ways to improve the efficiency and effectiveness of the executive branch, I find ~~there has been a growing trend in the Federal Government to depend more and more on the use of consulting services, the costs of which are rapidly increasing.~~ There have been, and continue to be, allegations that such consulting services are being used excessively, unnecessarily, and in some cases to negate limitations placed on numbers of Government employees.

To be certain that consultant services are being used properly, I want you to review your current use of consulting services and eliminate those that are neither appropriate nor necessary.

In conducting your review, I want you to examine both personal and non-personal consulting services. For each consulting service arrangement the attached form is to be completed to assist in your review. The forms, together with your recommendation as to the continuance or discontinuance of each of the consulting services, are to be forwarded to the Office of Management and Budget. I have asked the Director of the Office of Management and Budget to issue general guidelines for the future use of consulting services by the Federal Government.

Finally, report to the Office of Management and Budget by May 31, 1977 along with the completed forms a summary analysis of the total number and dollar value of those consultant arrangements which are in effect, to be continued and discontinued.

Attachment

*The costs of private consulting services*  
*constantly rise; not of washing*  
*mill*



## EXECUTIVE BRANCH SURVEY OF CONSULTANT SERVICES

Dept /Agency:
Component:
Budget Program:
Project Name:
Description of Task :

Contractor:
Principal Investigator:
Special Qualifications:
Competitively Awarded: <input type="checkbox"/> Yes <input type="checkbox"/> No Total Contract Value: \$ FY 1977: \$
Date Work Commenced: Scheduled Completion Date:

Justification of Need:
------------------------

Evaluation/Recommendation:
Dept/Agency Head
Date:

(See other side for instructions)

DEPT/AGENCY: Name of the executive department or independent establishment within the meaning of sections 101 and 104(1), respectively, of Title 5, USC.

COMPONENT: Name of major organizational subdivision of a department/agency.

BUDGET PROGRAM: Identification of program as shown in Part V of the FY 1977 Budget.

PROJECT NAME: Popular or other identification associated with activity, if any.

DESCRIPTION OF TASK: Description of work being performed by grant, contract, other agreement, or appointment.

CONTRACTOR: Name of company or individual performing the grant, contract, other agreement, or appointment.

PRINCIPAL INVESTIGATOR: Name of individual in company responsible for performance.

SPECIAL QUALIFICATIONS: Description of special qualification of company, individual, or principal investigator.

THE PRESIDENT'S SCHEDULE

Monday - May 2, 1977

NOT ISSUED

7:15 Dr. Zbigniew Brzezinski - The Oval Office.  
7:45 Mr. Frank Moore - The Oval Office.  
8:00 Mr. Bert Lance and Mr. James T. McIntyre, Jr. /  
(30 min.) Budget Briefing - The Oval Office.  
8:30 Budget Meeting with Mr. Bert Lance, Members  
(2-1/2 hrs.) of the Cabinet and Congressional Leaders.  
The State Dining Room.  
11:30 Interview with the British Broadcasting Company.  
(45 min.) (Mr. Jody Powell) - The Residence Library.  
12:30 Greet Participants in "Summer in the Parks"  
(10 min.) Program. - The South Grounds.  
1:00 Lunch with Vice President Walter F. Mondale.  
The Oval Office.  
2:00 Welfare Reform Announcement - The White House  
Press Room.

## NATIONAL ARCHIVES AND RECORDS SERVICE

## WITHDRAWAL SHEET (PRESIDENTIAL LIBRARIES)

FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Ray Marshall to The President (4 pp.) Re: Departmental Activities Summary	4/29/77	A
memo	From Michael Blumenthal to The President (4 pp.) Re: Finance Ministers Meeting in Paris	4/26/77	A
memo	From Harold Brown to The President (4 pp.) Re: Weekly Summary of Department of Defense Activities enclosed in Hutcheson to Brown 5/2/77	4/29/77	A
<del>memo</del>	<del>From Andrew Young to The President (1 page) Re: Weekly Summary of U.S. Mission to the U.N. activities enclosed in Hutcheson to Hugh Carter 5/2/77</del> <i>OPENED 1/18/13</i>	<del>4/28/77</del>	<del>A</del>

## FILE LOCATION

Carter Presidential Papers-Staff Offices , Office of the Staff Sec.-Pres. Hand-writing File 5/2/77 [1] Box 21

## RESTRICTION CODES

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THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Frank Moore

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Letter from Senator Muskie on  
Budget

*original to Frank Moore  
copy to Central File*

EDMUND S. MUSKIE, MAINE, CHAIRMAN  
WARREN E. MAGNUSON, WASH.  
ERNEST F. HOLLINGS, S.C.  
ALAN CRANSTON, CALIF.  
LAWTON CHILES, FLA.  
JAMES ABOURTZIS, S. DAK.  
JOSEPH R. BIDEN, JR., DEL.  
J. BENNETT JOHNSTON, LA.  
WENDELL R. ANDERSON, MINN.  
JAMES R. SASSER, TENN.

HENRY BELLMON, OKLA.  
ROBERT DOLE, KANS.  
JAMES A. MCCLURE, IDAHO  
PETE V. DOMENICI, N. MEX.  
SAM I. HAYAKAWA, CALIF.  
M. JOHN HEINZ III, PA.

THE PRESIDENT HAS SENT.

## United States Senate

COMMITTEE ON THE BUDGET  
WASHINGTON, D.C. 20510

JOHN T. MC EVOY, STAFF DIRECTOR  
ROBERT S. FOYD, MINORITY STAFF DIRECTOR

April 29, 1977

The Honorable Jimmy Carter  
President of the United States  
The White House  
Washington, D.C. 20500

OMB  
30 APR 1977

Dear Mr. President:

As you know, recent developments have left the question of the Federal budget and the Congressional budget process in considerable turmoil and confusion. The withdrawal by the Administration of a substantial part of its stimulus program after Congress had passed a Third Budget Resolution to accommodate it left more than \$11 billion in spending and taxes available for other committees of Congress to spend on less urgent priorities this year. For example, the majority of the Senate has taken advantage of the vacuum created by the withdrawal of the Administration's tax proposal to enact new permanent tax cuts which seriously threaten our mutually held target of a balanced budget by 1980.

Although I argued and voted against all of the significant permanent tax cuts added on the floor to the Finance Committee's bill, the Senate refused to heed my plea for restraint since, for this year at least, the Congressional budget revenue floor, lowered to accommodate the rebate, is now low enough to accommodate other tax cuts.

All of the events of recent weeks--the withdrawal of the rebate proposal, new Administration economic views, the OMB report on the outlay "shortfall" for fiscal year 1977, and submission of the Administration's energy program--have led the Senate Budget Committee to reconsider both the current 1977 Congressional Budget Resolution and the proposed Budget Resolution for fiscal year 1978, which will come before the Senate next week. The results of the Senate Budget Committee's deliberations on these issues are summarized in the report to the Senate, a copy of which I am including with this letter.

The Honorable Jimmy Carter  
April 29, 1977  
Page 2

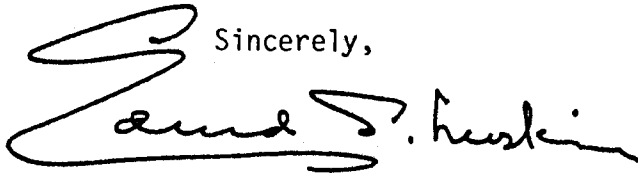
In brief, the Committee has reaffirmed its recommendations for the 1978 budget and has revised revenues, spending, and the deficit in the existing 1977 Congressional Budget Resolution. The result of the adjustments in the 1977 Resolution, however, leave the deficit predicted by the Congressional Budget Resolution at \$59.5 billion, about \$11 billion more than the current OMB estimate for this year. Of this amount, about \$6 billion represents our continued determination that temporary tax relief such as the rebate is still appropriate this year. The rest represents a judgment that business tax reductions will be enacted, that not all of the outlay shortfall predicted by OMB will in fact occur in this fiscal year, and that revenues will be lower than the Administration forecasts.

I hope you will have time to review this report prior to our meeting Monday. I believe it explains some of the deeply-held concerns of the Budget Committee which are at variance with the views of members of your Administration. I would be happy to discuss them with you at any time.

I also want to take this opportunity to make clear my own desire that continued and improved cooperation occur between the Budget Committee and the Administration. Our goals are largely the same. The Budget Committees will be vital to the achievement of these goals during the coming years. I look forward to working closely with you and being whatever help I can in achieving these objectives.

With best wishes, I am

Sincerely,

A handwritten signature in dark ink, appearing to read "Edmund S. Muskie". The signature is fluid and cursive, with a large initial "E" and "M".

Edmund S. Muskie

95th Congress }  
1st Session }

COMMITTEE PRINT

EXPLANATION OF COMMITTEE  
AMENDMENT

to

S. CON. RES. 19

---

FIRST CONCURRENT RESOLUTION ON THE  
BUDGET—FISCAL YEAR 1978

---

COMMITTEE ON THE BUDGET  
UNITED STATES SENATE



APRIL , 1977

Printed for the use of the Committee on the Budget

---

U.S. GOVERNMENT PRINTING OFFICE  
WASHINGTON : 1977

88-409



THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Frank Moore -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: Proposed Telephone Call to  
Frank Thompson, Jr. re:  
Bill Cable

THE WHITE HOUSE  
WASHINGTON  
THE PRESIDENT HAS SEEN.  
CONGRESSIONAL TELEPHONE CALL

To Frank - / wait until  
Moore / mark-up of  
election reform.  
Must be completed  
before 5/11.  
(Universal registration)  
otherwise o.k.

TO: Congressman Frank Thompson, Jr. (N.J.) TC  
DATE: As soon as possible.  
RECOMMENDED BY: Frank Moore FM.  
PURPOSE: To request that he encourage Bill Cable  
to accept position on Congressional  
Liaison staff.  
BACKGROUND: Congressman Thompson is Chairman of the  
House Administration Committee and Bill  
Cable is Staff Director/Associate Counsel  
of this Committee. Cable has been  
offered the position but is hesitant to  
accept because of his responsibilities on  
the Hill.  
TOPICS OF DISCUSSION: 1. We need Bill Cable's expertise to  
fill position as Deputy Assistant for  
House Liaison.  
2. Hope that he will encourage Bill Cable  
to accept the position.  
Date of Submission May 2, 1977

P.S. Cable has agreed to accept the  
position on the condition that  
this call will be made.

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THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Frank Moore

The attached was returned in  
the President's outbox. Please  
note the President's comments.

Rick Hutcheson

Re: Weekly Legislative Report

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

ADMINISTRATIVELY CONFIDENTIAL

April 30, 1977

MEMORANDUM FOR:

THE PRESIDENT

FROM:

FRANK MOORE

SUBJECT:

Weekly Legislative Report

1. FY 1978 FIRST BUDGET RESOLUTIONS

-- As both House and Senate return to floor action on the Resolution next week, the budget totals for FY 1978 look as follows:

	February budget	House Committee	Senate Committee As Adopted	Adjusted 1/	President's April Update
Receipts..	401.6	398.1	395.6	396.6 - 8 <sup>1</sup>	404.7
Outlays...	459.4	464.3	458.8	459.8 - 2 <sup>8</sup>	462.6
Deficit..	-57.7	-66.2 + 8 <sup>3</sup>	-63.2	-63.2 + 5 <sup>3</sup>	-57.9
Budget authority.	507.3	502.1	497.4	498.4 - 1 <sup>3</sup>	499.7

1/ For comparability with budget and House treatment of the earned income credit.

House

-- A coalition of liberal to moderate Democrats (who do not support increased defense spending at the expense of human resource programs) and Republicans voting en bloc (only two liberal Republicans, Conte, Mass. and Whalen, Ohio voted to pass the amended resolution) combined to defeat the measure last Wednesday night by 84 YEA, 320 NAY. Amendments adopted during floor consideration were:

- \* Committee amendments raising agriculture outlays by \$1.5 BILLION and amending the Third FY 1977 Budget Resolution to reflect the withdrawal of the \$50 tax rebate proposal.
- \* Burleson amendment to add \$4.15 BILLION in budget authority and \$2.3 BILLION in outlays to the national defense function.

ADMINISTRATIVELY CONFIDENTIAL

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Talk to  
Max

- \* Anderson (Calif.) amendment to add \$500 million in both budget authority and outlays to the veterans' benefits and services function.
- \* Holtzman amendment to add \$249 million in budget authority and \$75 million in outlays to the law enforcement and justice function. (for LEAA).
- \* Pike amendment to cut \$7 million in both budget authority and outlays in the general government function with the intent to reduce funds for the Congressional pay raise.

-- In reporting a new resolution for House floor consideration next Thursday, the Budget Committee took the following action:

- \* increased the defense function by \$1.15 BILLION in budget authority and \$300 million in outlays (Majority Leader Wright's compromise figure).
- \* increased the veterans' benefits and services function by \$125 million in budget authority and outlays
- \* increased the law enforcement and justice function by \$60 million in budget authority and \$20 million in outlays (for LEAA)
- \* reduced the general government function by \$7 million in budget authority and outlays (reflecting the Pike amendment).

-- The new resolution reported by the House Budget Committee also allows a \$1.5 BILLION increase in agriculture outlays to reflect the increase in price supports and makes adjustments to the Third FY 1977 Budget Resolution to reflect the \$50 rebate withdrawal.

-- No amendments were noticed as of close of business Friday, but another amendment to further increase the defense function by \$3.0 BILLION is a strong possibility. The Republicans may also develop a substitute resolution reflecting different assumptions.

OK  
from  
will  
Lk E  
him

Recommendation: That you inform the House Democratic Leadership that while you support your own budget figures, you understand the leadership's difficulties with the bloc Republican votes and that you will support the leadership in trying to produce a budget resolution that is reasonably close to the Administration's request.

#### Senate

-- For FY 1977, the Senate Committee (in action last week), made a small adjustment to revenues, but unlike the House's action, left in funds for an economic stimulus measure similar to the tax rebate in case another slowdown develops. Senator Muskie argued that the Committee should not rubber stamp the Administration's change of position on the rebate. According to OMB, Senator Muskie does not intend that the Congress utilize the higher deficit figure in the resolution as an excuse to enact major revenue reductions not anticipated in the 1977 figures. For FY 1978, the numbers were not readjusted in Committee last week. Senate floor action will probably begin next Tuesday. Amendments expected include the following:

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\* Proxmire and Brooke will offer an amendment to restore \$6.2 BILLION (BA) in subsidizing housing funds and \$500 million (BA) in community development block grant funds. Secretary Harris and staff are strongly supporting this amendment. HUD reports that the amendment has at least 29 cosponsors and that their head count shows in excess of 50 "yea" votes. OMB worries that some members of the Senate Committee could regard HUD's strong support for this amendment as an attempt to undermine the Committee's relative priorities, similar to the way Chairman Giaimo felt about DOD's efforts.

\* Cranston may offer an amendment increasing veterans benefits by an additional \$500 million in budget authority and \$400 million in outlay's over the Administration's request. OMB recommends a letter from VA Director Cleland and expeditious transmittal of the pending budget amendment on readjustment benefits (sent to White House on Friday) to help defeat this amendment.

\* Durkin may offer an amendment to increase veterans benefits over the level supported by the Cranston amendment.

\* Hayakawa may offer an amendment to reduce funding for public service jobs below the February request.

\* Humphrey and Cranston may offer an amendment to increase unemployment benefits.

\* Humphrey and Javits may offer an amendment to increase funding for youth employment programs.

Recommendation: Reaffirm that you support your own budget requests and urge that the Senate produce a budget resolution close the the Administration's request. Urge that the gap left by the \$50 rebate withdrawal not be filled by unnecessary spending.

## 2. ENERGY

-- A chart showing the tentative congressional energy agenda for next week follows:

<u>Tuesday</u>	<u>Wednesday</u>	<u>Thursday</u>
8:30 AM: Schlesinger testifies before Jackson Energy & Natural Resources Committee	8:30 AM: House Ad Hoc Committee at White House	10:00 AM: Markup DOE bill Senate Gov Affairs Committee
10:00 AM: Markup DOE bill, Senate Gov Affairs Committee	10:00 AM: Markup DOE bill, House Gov Ops Committee	
afternoon: Markup DOE bill, House Gov Ops Committee		

Energy Department: Dr. Schlesinger and staff are following closely the progress of the bill. Dr. Schlesinger plans to meet with Sen. Ribicoff prior to markup on Tuesday. Up to 50 amendments are expected with the major focus again on the FPC roll-in and the Secretary's rule-making and pricing authority. As of last week, Sen. Muskie joined with Sen. Ribicoff on this issue. Dr. Schlesinger's staff believes that Sens. Jackson and Roth have the votes on thier compromise amendment to defeat the Ribicoff position. The House Government Operations Committee will consider 34 amendment to the proposal

made by the Legislation and National Security Subcommittee (Jack Brooks also chairs this subcommittee). Of primary concern is the subcommittee's recommended deletions of two proposed under secretaries and the designation of 9 assistant secretaries for specific areas. The House leadership hopes to schedule floor consideration of the bill the week of May 9.

Energy Plan: There is resistance in both the House and Senate in producing a joint resolution on energy goals. Because of obstructionist and delaying tactics expected from the Republicans, the leadership believes the effort would be counter-productive. Initial hearings before the House Ad Hoc Select Committee will be designed to underscore the goals of the program. You will have data sheets on all members of the Ad Hoc Select Committee prior to the White House meeting next Wednesday. The actual energy legislation was sent up to the Hill late last Friday (Jim Wright helped to keep the House in session in order to receive the bill) and initial congressional reactions will be developing next week.

### 3. FY 1978 APPROPRIATIONS BILLS

-- House subcommittee markups were completed last week for four subcommittees: Agriculture; Treasury/Postal Service; State/Justice/Commerce/Judiciary; and Transportation. In these mark-ups OMB reports the Administration generally held the line on spending with the exception in the SBA and highway areas. Next week, there will be four more mark-ups: Public Works; HUD/Independent Agencies; Labor/HEW; and Military Construction. OMB reports that the Thursday mark-up of the Labor/HEW bill has the potential to increase the budget in 1978 by \$2 BILLION with an implied higher increase in future years. The major areas for spending increases include higher education and health programs, (both having powerful interest groups supporting higher spending).

Recommendation: The Secretaries of HEW and Labor should contact Rep. Dan Flood, Chairman of the Labor/HEW Appropriations Subcommittee, and other members of the subcommittee to encourage them not to add to the requested appropriation amounts.

### 4. ECONOMIC STIMULUS

Public Works Jobs: On Friday, the Senate passed the Conference Report on the Public Works Employment Act. The House is expected to consider the measure on Tuesday. The Conference bill increases from \$2 BILLION to \$6 BILLION the authorization for the Local Public Works Capital Development and Investment Act and includes a Senate provision dealing with water resource projects. Commerce strongly supports the bill and recommends a signing ceremony.

Taxes: The tax bill will now go to conference.

Economic Stimulus Appropriations: Labor reports that the bill may be taken up by the Senate early next week (it has already passed the House). Labor will be working to defeat an amendment by Sen. Schweiker to reduce funds for public service jobs back to the current levels.

Countercyclical: Sen. Muskie attached an amendment to extend the program for 1 year to the tax bill on Friday. Treasury reports that the House Government Operations Subcommittee on Intergovernmental Relations has agreed to the countercyclical proposal for the final quarter of FY 1977 and the first two quarters of FY 1978. The subcommittee voted, however, to change the method of local allocation from an unemployment test to a tax effort test.

CETA Extension: Labor reports that on May 4 the Senate Subcommittee on Employment and Poverty will mark up the proposal to extend CETA for one year (the bill has passed the House). It is expected that the subcommittee will not address the veterans preference and waiver of the limitation on expenditures which was proposed. Instead the subcommittee plans to add these provisions to the Youth Employment bill which will be reported simultaneously. The reason for this is to assure speedy enactment of the extension legislation (which is needed to spend funds under the stimulus package) while at the same time assuring that the two amendments will be enacted into law.

5. COUNCIL ON WAGE AND PRICE STABILITY

-- Treasury reports that the CWPS is in trouble in the House Banking Committee and it will take an effort to convince committee members that the Administration seriously needs CWPS.

6. AGRICULTURE

Farm Bill: Agriculture reports that in a substantial victory for the Administration the House Agriculture Committee adopted, 25-20, a substitute wheat and feed grains program with a combined annual cost estimate of \$2.2 BILLION. The Senate Agriculture Committee continues markup after its tentative decision on income and price supports totaling \$3.9 BILLION, but Chairman Talmadge has announced that the Committee will reconsider its decision next week. Agriculture believes that there will be a bare majority in favor of a motion which Sen. Humphrey will make to adopt the levels the House Committee approved.

Food Stamps: A House Agriculture subcommittee has reported food stamp legislation to the full committee retaining the proposal to eliminate the purchase requirement but changing the standard deduction. Agriculture believes that chances of food stamp reform in this Congress may be eroded substantially if the Administration announces Monday its intention to cash out the food stamp program and to combine it into a single cash income supplement program. Secretary Bergland has written to Secretary Califano to express his concern.

7. WATER PROJECTS

-- Reps. Miller's and Emery's amendment to the budget resolution to cut \$100 million for water projects failed by 140 to 220 (Majority Leader Wright strongly opposed). Generally, younger members of the House supported the Administration on this one with Members of more seniority opposed. White House staff will be developing a strategy for FY 1978 appropriations funding on this issue.

*Rescissions - '77 ?*

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FLOOR ACTIVITIES FOR WEEK OF MAY 2

House

Monday -- H.R. 2527, Convey Land to Madera Cemetery. To be considered by unanimous consent. The bill conveys a 20-acre tract in the Sierra National Forest to the Madera Cemetery District and would not result in any significant expenditure of federal funds.

-- 6 Bills Considered Under Suspension of Rules as follows:

- 1) H.R. 6550, U.S. Territories Omnibus Bill. To be managed by Rep. Phil Burton, Chairman, Interior National Parks and Insular Affairs Subcommittee.

Bill Summary: This bill authorizes appropriations for U.S. territories, amends existing laws, and institutes certain new programs. Among other things the bill authorizes: 1) \$80 million each for FY 1978 through FY 1982 for the operation of the government of the Trust Territory of the Pacific Islands. 2) Separate annual grants to the governments of American Samoa, Guam, and the Virgin Islands in amounts necessary to offset the annual income tax revenue losses each government incurred because of provisions of the Tax Reduction Act of 1975 and the Tax Reform Act of 1976. 3) \$15 million for a grant to Guam for damage done by a recent typhoon, to upgrade and construct public facilities, and for the maintenance of essential services. 4) \$13.5 million for the operation of the government of the Northern Mariana Islands. 5) \$12.4 million for the costs of rehabilitating Enewetak Atoll in the Trust Territory of the Pacific Islands in preparation for its resettlement. 6) \$1 million each for FY 1978 through FY 1982 to be paid to the government of Guam to continue its program of economic development. 7) Payments and medical care for inhabitants of Rongelap and Utirik Atolls in the Trust Territory of the Pacific Islands who suffered radiation exposure as a result of the nuclear detonation at Bikini Atoll on March 1, 1954. In addition to the authorizations the bill also: 1) Authorizes the legislature of Guam to levy a surtax, not to exceed 10% of the annual income tax obligation of a taxpayer. 2) Authorizes the legislature of the Virgin Islands to override (by a 2/3 vote) line-item vetoes of appropriation bills by the governor. 3) Provides that federal programs that now apply to the Northern Mariana Islands shall also apply to the Virgin Islands and Guam. The Interior Department has not taken a position on the bill.

- 2) H.R. 4390, San Luis Unit Construction. To be managed by Rep. Meeds, Chairman, Interior Water & Power Resources Subcommittee.

Bill Summary: The bill authorizes \$31.1 million for FY 1978 to continue construction of the distribution systems and drains of the San Luis Unit. The bill also establishes a task force to conduct a thorough review of the management and administration of the San Luis Unit. The Interior Department supports the bill.

- 3) S. 36, FY 1977 ERDA Authorization. To be managed by Rep. Fuqua, ranking majority member, Science and Technology.

Bill Summary: The bill authorizes \$1.6 BILLION in FY 1977 for ERDA's non-nuclear research and demonstration programs, establishes an Energy Extension Service, establishes a grant program to develop "appropriate technology," and sets up a price guarantee program for municipal solid waste demo projects. Most of the Administration-proposed changes in the nuclear program will be taken up in the FY 1978 authorization request.

- 4) H.R. 5025, Veterans' Administration Medical Facilities. To be managed by Chairman Roberts, Veterans' Affairs Committee.

*May*  
Bill Summary: This is the same bill that was originally scheduled for the week of April 4. According to OMB, the Administration strongly opposes this bill because it would, in effect, transfer from the Executive Branch to the two Veterans Committees in the Congress primary responsibility for approving and locating VA medical facilities. The Disabled American Veterans, American Legion, Paralyzed Veterans of America, AMVETS, and the Veterans of Foreign Wars support the bill. The Veterans' Affairs Committee argues that the bill will provide needed congressional oversight of veterans' medical facilities.

- 5) H.R. 4007, Deduction of Expenses for State Legislators. To be managed by Chairman Ullman, Ways & Means.

Bill Summary: This bill provides that for 1976 and 1977 the tax home of state legislators will be their place of residence within the district they represent, for purposes of determining deductions for away-from-home expenses incurred in connection with the business of being a state legislator. In addition, the bill applies a limitation on the amount of expenses that may be deducted. The Ways & Means Committee estimates that the bill will reduce revenues by \$2.7 million in FY 1977 and \$2.9 million in FY 1978. According to OMB, the Administration does not object to the bill.

- 6) H.R. 4962, Defense Production Act Extension. To be managed by Rep. Moorhead (Pa.) Chairman, Banking Economic Stabilization Subcommittee.

Bill Summary: The bill extends the Defense Production Act for two years, until September 30, 1979. According to OMB, the Administration supports the immediate extension of the Act, and recommends early and favorable consideration of a proposed amendment which would remove the requirement for accrual of interest on the current market value of the inventory of preparedness materials.

— Two Committee Funding Resolutions as follows:

- 1) H.Res. 334, Special Counsel in AT&T Case. To be managed by Rep. John Dent, Chairman, House Administration Accounts Subcommittee.

*X*  
Bill Summary: This committee funding resolution permits the Chairman of the Commerce Oversight & Investigation Subcommittee (Rep. John Moss) to continue to intervene in the still-pending case of the U.S. v. AT&T, and authorizes \$55,000 to continue the appointment of the special counsel to represent the House and the Commerce Committee in the case. The Justice Department has maintained that release of the information requested by the subcommittee could be detrimental to national security. Supporters of the resolution argue that the Federal Communications Act gives the Commerce Committee responsibility for oversight of non-court-ordered wiretaps, and to carry out this responsibility, the committee must have the information it requested from AT&T.

- 2) H.Res. 489, Congressional Operations Committee Funding. To be managed by Rep. Dent.

Bill Summary: The resolution provides \$440,000 for expenses of the Select Committee on Congressional Operations to be chaired by Jack Brooks during the first session of the 95th Congress.

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Tuesday -- One Bill Considered Under Suspension of Rules

- 1) H.R. 6415, Export Import Bank. To be managed by Rep. Neal, Chairman of the Banking Subcommittee on International Trade.

Bill Summary: The bill extends the authority of the Export-Import Bank from June 30, 1978, to September 30, 1978, to bring the Bank's statutory authority in line with the recently revised budgetary fiscal year. It also requires the Board of Directors and the Secretary of State to consider human rights in authorizing any loan or financial guarantee. (Being a suspension, the bill is not open to a more rigid human rights amendment.)

- H.R. 11, Conference Report on Public Works Employment Bill. To be managed by Rep. Roe, Chairman of the Public Works Economic Development Subcommittee.

- H.R. 6179, Arms Control and Disarmament Act Amendments. To be managed by Chairman Zablocki, International Relations.

Bill Summary: The bill authorizes \$14.6 million for FY 1978 for operations of ACDA. The amount is \$1 million above the Administration's request. The \$1 million added by the Committee is intended to be used to fund the public education program and research activities of ACDA. The bill eliminates the requirement that all research funded by ACDA be carried out by U.S. research institutions or individuals, and allows ACDA to use foreign research if it is more cost-effective or if such research is not available in the U.S. The bill places sole authority in the Director of ACDA to determine whether ACDA employees may have access to restricted data in the Energy Research and Development Administration and the Nuclear Regulatory Commission. (Present law requires the directors of those agencies to decide on security clearances.) The bill also creates a new position in ACDA, Special Representative for Arms Control Negotiations, to serve as alternative chief negotiator at the SALT talks and to carry out other duties delegated to him by the Director. According to OMB, the Administration has no objection to the bill.

- H.R. 4049, USRA Authorization. To be managed by Chairman Staggers, Interstate & Foreign Commerce.

Bill Summary: The bill authorizes \$13 million for administrative expenses of the United States Railway Association in FY 1978. The funds are to remain available through FY 1979. According to OMB, the Administration has no objections to the bill.

Wednesday -- Four Resolutions Regarding Dismissals of Election Contests. All four will be managed by Chairman Thompson, House Administration. The concern the contested elections of Reps. Kelly (R-Fla), Gammage (D-Tex), Mikva (D-Ill), and Pursell (R-Mich).

- H.R. 6689, Foreign Relations Authorization for FY 1978. To be managed by Rep. Fascell, Chairman of the International Relations Subcommittee on International Operations.

Bill Summary: The bill authorizes \$1.68 BILLION for operations of the State Department, U.S. Information Agency, Board for International Broadcasting and for contributions to some international agencies. The total is \$51.8 million above the Administration's request. The bill provides \$20 million (not contained in the Administration request) for assistance to Soviet and Eastern European

X  
refugees settling in Israel. The Committee reduced by \$11.1 million to \$17 million the request for funds for the U.S. contribution to the United Nations Educational, Scientific and Cultural Organization (UNESCO). This reduction allows payment of current U.S. obligations to UNESCO, but continues the policy of restraint in paying dues to discourage UNESCO's recent actions against Israel. The bill adds \$10.8 million to the Administration request for acquisition and construction of radio facilities for the Voice of America, to assure adequate transmission to the USSR and Eastern Europe. According to OMB, two provisions of the bill are especially troublesome: 1) a section to establish in law an advisory committee for the Saint Lawrence Seaway toll negotiations, and 2) a section to provide a special annuity for certain foreign service officers (according to OMB, this provision is discriminatory and unfair to other similarly situated retired federal employees and sets a bad precedent). The State Department does not oppose the bill.

Thursday -- H.Con.Res. ?, First FY 1978 Budget Resolution. To be managed by Chairman Giaimo, Budget Committee.

Senate

-- The Senate is expected to consider the Economic Stimulus Appropriations bill and the FY 1978 First Budget Resolution. Other items may come up, the the situation is unclear.

SUMMARY

-- Congress will be focusing next week on the budget resolutions. Congressional staff and outside groups will be examining closely the energy legislation.

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Hamilton Jordan -

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

Re: Nuclear Regulatory Commission

THE WHITE HOUSE  
WASHINGTON

ACTION	FYI		
		MONDALE	ENROLLED BILL
		COSTANZA	AGENCY REPORT
		EIZENSTAT	CAB DECISION
	<input checked="" type="checkbox"/>	JORDAN	EXECUTIVE ORDER
		LIPSHUTZ	Comments due to
		MOORE	Carp/Huron within
		POWELL	48 hours; due to
		WATSON	Staff Secretary
			next day

	FOR STAFFING
	FOR INFORMATION
<input checked="" type="checkbox"/>	FROM PRESIDENT'S OUTBOX
	LOG IN/TO PRESIDENT TODAY
	IMMEDIATE TURNAROUND

	ARAGON		KRAFT
	BOURNE		LANCE
	BRZEZINSKI		LINDER
	BUTLER		MITCHELL
	CARP		POSTON
	H. CARTER		PRESS
	CLOUGH		B. RAINWATER
	FALLOWS		SCHLESINGER
	FIRST LADY		SCHNEIDERS
	GAMMILL		SCHULTZE
	HARDEN		SIEGEL
	HOYT		SMITH
	HUTCHESON		STRAUSS
	JAGODA		WELLS
	KING		VOORDE

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ*

SUBJECT: NRC APPOINTMENTS

As you requested, I got Charles Warren to check with environmentalists on both Hendrie and Hansen for possible appointment to the NRC. As you might expect, their reaction to both men is that they are technically well qualified but that they have more of a pro-nuclear orientation than the environmentalists would like to see on NRC.

It was my understanding that you wanted this check made as a courtesy to the CEQ and the people they represent.

As you will recall, Jim Schlesinger had done a thorough search before recommending Hendrie and Hansen to you.

- ☒ Proceed with Hendrie and Hansen
- ☐ Check further/Give me other candidates

*But June appointment  
must be ok w/  
environmentalists -*  
*J*

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THE WHITE HOUSE  
WASHINGTON

April 28, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN

SUBJECT: NUCLEAR REGULATORY COMMISSION

There are presently two vacancies on the Nuclear Regulatory Commission which we need to fill. As was the case with NASA, it is difficult to find qualified people who are willing to serve on the NRC. Jim Schlesinger has done a thorough search and recommends two persons for appointment. Biography and comments are attached. I recommend you approve both of these.

APPROVE Hendrie oh

APPROVE Hansen, oh

Get more Information \_\_\_\_\_

Other: \_\_\_\_\_

*Check with  
Environmentalists (CEQ)  
Another appt  
in June  
J*

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## NUCLEAR REGULATORY COMMISSION

The Nuclear Regulatory Commission was established as an independent regulatory agency in 1974. Its purpose is to assure that the civilian uses of nuclear materials and facilities are conducted in a manner consistent with the public health and safety, environmental quality, national security, and the antitrust laws. The major share of the Commission effort is focused on the use of nuclear energy to generate electric power.

There are five Commissioners, with the Chairman designated by the President. Not more than 3 members shall be of the same political party.

### Membership of NRC:

Victor Gilinsky    Democrat    Term expires June 30, 1979

Richard T. Kennedy    Rep.    Term expires June 30, 1980

Edward A. Mason    Democrat    Term expires June 30, 1978

Commissioner - Vacancy

Commissioner (Chairman) - Vacancy

NUCLEAR REGULATORY COMMISSION

Joseph M. Hendrie

Janesville, Wisconsin

52

White, Male

Republican

Comments:

James Schlesinger: Hendrie has a distinguished career. He is experienced in nuclear engineering and is a co-inventor of the high flux beam reactor. He is highly regarded within the scientific community and I am certain he will be a valuable addition to your Administration.

Frank Press: Have known Hendrie and worked with him for some years. I think he is first-rate, professionally and personally. His appointment would be welcomed by the scientific community and he would do a good job.

JOSEPH MALLAM HENDRIE

HENDRIE, JOSEPH MALLAM, physicist, nuclear engr.; b. Janesville, Wis., Mar. 18, 1925; s. Joseph Munier and Margaret Prudence (Hocking) H.; B.S., Case Inst. Tech., 1950; Ph.D., Columbia, 1957; m. Elaine Kostell, July 9, 1949; children - Susan Debra, Barbara Ellen. Asst. physicist Brookhaven Nat. Lab., Upton, N.Y., 1955-57, asso. physicist, 1957-60, physicist, 1960-71, sr. physicist, 1971--, chmn. steering com., project chief engr. high flux beam reactor design and construn., 1958 - 65, acting head exptl. reactor physics div., 1965-66, project mgr. pulsed fast reactor project, 1967-70, asso. head engring. div., dept. applied sci., 1967-71, head 1971-72; dep. dir. licensing for tech. rev. U.S. AEC, 1972--; lectr. nuclear power plant safety Mass. Inst. Tech., summers 1970 --. Cons. radiation safety com. Columbia, 1964-72; mem. adv. com. reactor safeguards AEC, 1966-72, chmn., 1970. Served with AUS, 1943-45. Recipient E.O. Lawrence award, 1970. Registered profl. engr., N.Y. Fellow Am. Nuclear Soc.; mem. Am. Phys. Soc. Profl. Engrs., Sigma Xi, Tau Beta Pi. Co-inventor high flux beam reactor; research, publns. physics nuclear reactors, engring. design reactors, chem. physics nitrogen dissociation process, structure oxygen molecule. Home: 19125 N Pike Creek Pl Gaithersburg MD 20760 Office: US AEC Washington DC 20545.

NUCLEAR REGULATORY COMMISSION

Kent F. Hansen

Democrat

Comments:

James Schlesinger: Hansen has a long, distinguished career in nuclear engineering. He has wide contacts in the nuclear industry and with the government, serving as consultant to many companies and to various government departments. He will be a valuable addition to the Commission and will help us in confronting the energy problem. I recommend him highly.

Frank Press: Hansen is very good technically. Have known and worked with him at MIT. He has very good credentials and I would support the appointment.

K.F. Hansen

Education

S.B., Physics, MIT, 1953  
Sc.D., Nuclear Engineering, MIT, 1959

Experience

Senior Engineer, Sylvania Electric Products, 1958-1959  
Research Associate, MIT Computation Center, 1959-1960  
Ford Postdoctoral Fellow, MIT, 1960-1961  
Assistant Professor, Department of Nuclear Engineering, MIT,  
1961-1965  
Associate Professor, Department of Nuclear Engineering, MIT,  
1965-1969  
Professor, Department of Nuclear Engineering, MIT, 1969-  
Executive Officer of Department, 1972-1974  
Acting Department Head, 1975

Professional Interests

Numerical analysis, computational methods, modeling of  
engineering systems. Nuclear reactor theory and mathematics,  
reactor safety analysis, nuclear fuel management. Engineering  
education.

Consultant to:

U.S. Veterans Administration  
U.S. Air Force  
Wolf Research and Development Corporation  
MITRE Corporation  
General Electric Company  
Westinghouse Electric Company  
Gulf General Atomic Corporation  
E.I. DuPont, Savannah River Laboratory  
Electricite de France  
Boston Edison Company  
Los Alamos Scientific Laboratory  
Brookhaven National Laboratory  
EG&G, Idaho

Society Memberships

Society for Industrial and Applied Mathematics  
Association for Computing Machinery  
American Society for Engineering Education  
American Nuclear Society  
Executive Committee, Mathematics & Computation Division,  
1965-1969  
Vice-Chairman, Mathematics & Computation Division, 1967-19  
Chairman, Mathematics & Computation Division, 1968-1969  
Board of Directors of Society, 1971-1974  
Elected Fellow of the Society, 1973  
Society of Sigma Xi  
Sigma Chi Fraternity

THE WHITE HOUSE  
WASHINGTON

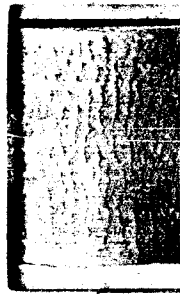
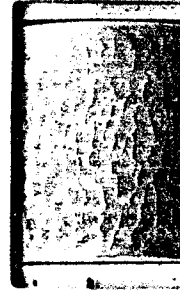
May 2, 1977

Hamilton Jordan -

The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.

Rick Hutcheson

Re: The Postal Rate Commission  
Simeon M. Bright



THE PRESIDENT HAS SEEN.

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: HAMILTON JORDAN *HJ.*  
SUBJECT: THE POSTAL RATE COMMISSION

Attached is a profile of the Postal Rate Commission, as well as biographical information and comments on Simeon M. Bright of Keyser, West Virginia.

Mr. Bright has been highly recommended for the position by Senators Robert Byrd and Jennings Randolph and by Congressman Harley Staggers. He has served as a Special Assistant to Assistant Postmaster General Richard Murphy from 1965-69. Currently the president of a real estate and investment firm, he has had experience as a college teacher and coordinator of an experimental work-study program.

I recommend you approve Mr. Bright as Postal Rate Commissioner.

APPROVE ✓ *We need more Lions*  
DISAPPROVE                      *J*  
GIVE ME OTHER CANDIDATES                     

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#### POSTAL RATE COMMISSION

The Commission is an independent agency created in 1970 and its major responsibility is to submit recommended decisions to the Postal Service on postage rates and fees and mail classifications.

The Commission's governing body consists of a Chairman, Vice Chairman and three Commissioners. Originally the appointees did not require Senate confirmation, but P.L. 94-241 now requires confirmation for successors. Terms are for 6 years, compensated at rate of Level IV.



POSTAL RATE COMMISSION

SIMEON MILLER BRIGHT

Comments

J. B. Bleckley, Field Coordinator, Mid-Atlantic States, Democratic National Committee. "Sim worked very hard on behalf of the President in the Eastern half of West Virginia, doing everything that needed to be done. He has previous postal experience and has my support and backing."

Judge Reeves Taylor, Appellate Judge, 21st Circuit. "I have known him all my life. He is a very good person, hard worker - gives any job his best effort. He has postal experience, and his previous background indicates strong management ability."

Richard B. Schiwinabart, President, D & T Coal Company, "Sim is a very, very honest; hard working; devoted person. He has ability and gets along well with people. A tireless, hard-working Democrat."

Dick T. Murphy, former Assistant Postmaster General, Personnel Bureau. "Knows government well. Top notch. Politically aware and astute. He was a Specialist in Personnel Training at the Post Office Department. He is very intelligent: knows the postal department and its administrative procedures very well. He should be a good Postal Rate Commissioner."

Walter Petrick, owner, Mineral News. "I have known him for fifteen years. He is president of the Keyser Chamber of Commerce. He is a responsible, hard-working person: well thought of in the community as a manager. He was chosen coordinator of the Cooperative Education Program. He worked well with faculty, administrators, students and the business community in that program."

Lee Temple, President, National Bank of Keyser. "He has proven ability to analyze and do research - finds solutions to problems and sticks with them until they are solved. He is very likeable, warm person. Recently, Sim was selected president of the Lions Club."

POSTAL RATE COMMISSION

Simeon Miller Bright  
Keyser, West Virginia

White Male, 52  
Democrat

Education

1949	BA	West Virginia University
1950	MA	West Virginia University

Experience

1974 - Present	Sim Bright Real Estate and Investment Agency
1973 - 1976	Coordinator, Cooperative Education Program, Potomac State College of West Virginia University
1971 - 1974	Manager, J. Dorsey Real Estate Company
1969 - 1970	Lecturer, University of Maryland
1965 - 1969	Special Assistant to the Assistant Postmaster General, Bureau of Personnel
1962 - 1965	Employee Development Officer, Post Office Department

Community Involvement

President, Chamber of Commerce  
President-elect, Keyser Lions Club

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

EYES ONLY

The Vice President  
Midge Costanza  
Stu Eizenstat  
Hamilton Jordan  
Bob Lipshutz  
Frank Moore  
Jody Powell  
Jack Watson

Re: Domestic Policy Staff Weekly Status  
Report

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The attached was returned in the President's  
outbox and is forwarded to you for your  
personal information.

Rick Hutcheson

THE PRESIDENT HAS SEEN.

THE WHITE HOUSE

WASHINGTON

April 29, 1977

9  
1

MEMORANDUM FOR: THE PRESIDENT  
FROM: STU EIZENSTAT *Stu*  
SUBJECT: Domestic Policy Staff Weekly Status Report

CONSUMER MATTERS

Standing and Class Actions: Justice and Esther Peterson are working with Hill and other agencies to develop proposals. ✓

Package of Substantive Consumer Reforms: The task force, consisting of representatives from Justice, Commerce, FTC, Jack Watson's staff and Domestic Policy Staff, has met. A memo is being drafted on the consumer agenda in Congress. ✓

REGULATORY REFORM PROJECTS

Regulatory Reform Agenda: Domestic Policy Staff, OMB, CEA, and Jack Watson's staff are drafting a decision memo for you. Target date is May 10. ✓

Surface Transport Deregulation: OMB, CEA and Domestic Policy staff are working on a decision memorandum for you. Target date is May 10. ✓

Review of anti-Carcinogen statutes and programs: CEA and OMB have prepared a draft memorandum. We will have a final background memorandum for you soon. ✓

S. 600 (Percy-Byrd-Ribicoff bill on Regulatory Agency Reorganization): We are working on a plan to relate this bill to our regulatory reform priorities. ✓

Economic Impact Analysis Procedure: EPG Subcommittee developing a proposed executive order. ✓

Banking Reform: Package to be reviewed by EPG May 16. ✓

INTEGRITY AND OPENNESS MATTERS

Conflict of Interest Legislative Package: Domestic Policy Staff is working with Lipshutz staff on a message and draft bill. Will be in to you May 2 or 3. ✓

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Executive Order on Logging: Memo prepared by Justice has been reviewed. Lipshutz is drafting an executive order. ✓

Classification Decisions: NSC has sent a memo to you on establishing a task force to be co-chaired by NSC and Domestic Policy Staff. A report and new executive order are due in September. ✓

Freedom of Information Act Liberalization: Justice to draft an executive order. No target date yet. ✓

#### REORGANIZATION MATTERS

Advisory Committees Review: Reports are coming in from the agencies and an overview is being prepared for you. ✓

#### TRANSPORTATION AND LABOR

International Aviation: Policy is being planned for Presidential review of international decisions to maximize competition and reduce fares. ✓

Aircraft Noise: All agency comments are in except DOT's. A decision memo to the President when all are in. ✓

Labor Law Reform: Analysis of proposed legislation by May 11. ✓

Cargo Preference: Final options by May 11. ✓

Lock and Dam 26: FYI memorandum by May 2. ✓

Coal Slurry Pipeline: Option paper by May 2. ✓

#### HOUSING AND URBAN AFFAIRS

Fanny Mae: We are working with Treasury, HUD, OMB and CEA to resolve policy differences. A memo will be in to you on increasing public representation on Board of Directors by May 2. ✓

Financial Institutional and Housing Finance Reform: Package to be reviewed by EPG May 16. ✓

Urban Policy Task Force: A general overview will be in to you in early June. Specific assignments to be made by May 9th. ✓

New York City Financing: Continuing to develop long term options. ✓

CIVIL RIGHTS AND JUSTICE

Undocumented Aliens: A memo from the Attorney General and Secretaries of Labor, HEW and State delivered to you April 27. Being circulated to senior staff by Watson.

*I haven't seen it - only the news reports.*

Equal Employment Reorganization: Continue meeting with task force.

Wiretapping: Legislation is being reviewed by White House Staff and Hill Staffs. ✓

Privacy: Justice position on H.R. 214 is still being discussed by Justice. We will have a memo to you as soon as we know their position. ✓

Magistrates: Justice bill increasing the authority of US magistrates in black lung and social security cases has been circulated by OMB. White House staff and OMB are meeting with Justice to try to improve the proposed bill. ✓

Drugs: DEA will submit three bills to OMB, one of which includes a controversial preventive detention measure. It is being reviewed first by Peter Bourne. ✓

Handguns: Legislation drafted in Justice, but Flaherty refuses to clear it. ?

Criminal Code Revision: Kennedy-McClellan compromise bill will be introduced May 2, 1977. Justice is holding briefing sessions on it and plans to testify in favor of it in the future. ✓

Compensation of Crime Victims: Justice and OMB disagree. Options presently being circulated to senior staff. These should come to you by May 2. ✓

LEAA Reorganization: Task force made up of Justice and LEAA is meeting. ✓

Other Legislative Proposals: Justice continues to work on grand jury reform, President's Crime Message. ✓

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COMMUNICATIONS

Public Broadcasting: We are working on a proposal on CPB and Facilities Act reauthorizations. Senate hearings slated for July and House hearings for September. ✓

International Communications: OTP's legislation on the international maritime satellite will be ready for OMB clearance in mid-May. Congressional hearings are expected in mid-summer. ✓

Equal Time: A legislative proposal has been circulated to the White House staff. ✓

Bell Bill (to restrict competition in telephone industry): I will meet with CWA President Glenn Watts within the next couple of weeks. *just listen*

ENERGY AND NATURAL RESOURCES

Environmental Message: Decision memo to the President on April 28. ✓

Corps of Engineers Reform: Core group of CEQ, OMB, Domestic Policy Staff and Corps working on plan for developing reform proposals. ✓

Energy Legislation: Working with Schlesinger's staff to complete clearance of legislative proposals and detailed report on the plan. ✓

Dam Safety: Presidential memorandum released on Federal dams; coordinating with OMB and agencies to develop proposal for private and state dams. ✓

AGRICULTURE

Peanut Oil: Large sale of government-held stocks to India now pending. Bergland has discussed with Vance. STR is concerned that the sale will damage foreign trade relations. USDA feels that with prior consultation, such problems could be avoided. ✓

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AGRICULTURE (Cont.)

Land and Water Resources Conservation Bill: Working with OMB and USDA to resolve their differences over this bill (H.R. 75/S. 106). Proposed amendments are now being drafted. ✓

Rural Development: We are discussing policy proposals with range of interest groups. Southern Rural Policy Congress this week; National Association of Regional Councils next week. ✓

Emergency Drought Assistance: Office of Inspector General, USDA has found considerable fraud and some conspiracy in this program. Further investigations are underway. The USDA has tightened administration of the program. ✓

ECONOMICS AND BUSINESS

Trade Adjustment Assistance: We are working with Commerce, Labor and STR to meet your commitment in the shoe case to improve this program and recommend new legislation, if necessary. ✓

Color TV Import Case: Strauss negotiating with the Japanese. ✓

Arab Boycott: A compromise was reached by ADL and the Business roundtable on Senate bill, which will be taken up by the Senate this week; compromise will likely become the Senate's final bill. ✓

HUMAN RESOURCES

Social Security Financing: Secretary Califano has written a memo to use with HEW's proposals. A decision memo is due to you by this afternoon. ✓

Welfare Reform: A written presentation on the alternative welfare reform proposals is due from HEW by this afternoon. Preparations are being made for a meeting with you on Saturday and for your statement on Monday. ✓

Handicapped: HEW issued the Section 504 regulations today. The regulations are strong in the protection accorded the handicapped. Some adverse reaction is likely from recipients of federal financial assistance due to the cost of compliance. ✓



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FORM OF DOCUMENT	CORRESPONDENTS OR TITLE	DATE	RESTRICTION
memo	From Ray Marshall to The President (4 pp.) Re: Departmental Activities Summary	4/29/77	A
memo	From Michael Blumenthal to The President (4 pp.) Re: Finance Ministers Meeting in Paris	4/26/77	A
memo	From Harold Brown to The President (4 pp.) Re: Weekly Summary of Department of Defense Activities enclosed in Hutcheson to Brown 5/2/77	4/29/77	A
<del>memo</del>	<del>From Andrew Young to The President (1 page) Re: Weekly Summary of U.S. Mission to the U.N. activities enclosed in Hutcheson to Hugh Carter 5/2/77</del> <i>OPENED 1/18/13</i>	<del>4/28/77</del>	A

## FILE LOCATION

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CONFIDENTIAL

TO: President Carter

April 28, 1977

THRU: Jack Watson

THE PRESIDENT HAS SEEN.

FROM: USUN - Ambassador Young

SUBJECT: Weekly Summary of U.S. Mission to N. Activities  
April 20 - April 27

cc Hugh Carter  
13.  
as seen  
J

1977 APR 29 PM 12 28

1. SECURITY COUNCIL (SC): SHABA INVASION  
Zaire has backed off from request that SC send mission to investigate as AF Group strongly opposes holding SC debate on issue.
2. AMB. YOUNG MEETINGS WITH SWEDISH PERM REP THUNBURG, ISRAELI PERM REP HERZOG, ZAIRIAN PERM REP UMBA DI LUTETE AND EX-GOVERNOR OF PUERTO RICO HERNANDES-COLON ON VARIETY OF CONCERNS, 4/21
3. AMB. YOUNG BREAKFAST MEETING WITH HARRY OPPENHEIMER (CHM. ANGLO-AMERICAN CORP., SOUTH AFRICA/MAURICE TEMPLESMAN AND OTHERS, 4/22
4. AMB. YOUNG ADDRESS TO FOREIGN SERVICE DAY LUNCHEON, 4/22
5. UK VISITING MISSION IN U.S. VIRGIN ISLANDS, 4/25-5/1  
Mission headed by Fijian Amb. includes Mali, Trinidad & Tobago, Tunisia.
6. AHOUA (AMB. IVORY COAST-WASH., DC) LUNCHEON IN HONOR OF AMB. YOUNG, 4/25  
African Ambassadors in Washington attended.
7. COURTESY CALLS ON CONGRESSMAN FRASER (CHM., HIRC, SUBCOMMITTEE ON INTERNATIONAL ORGANIZATIONS) AND NEW ATLANTA CONGRESSMAN WYCHE FOWLER, 4/25
8. YOUNG/FIGUEIREDO (ANGOLAN PERM REP) MEETING, 4/26  
Figueiredo stressed Angolan desire to normalize relations adding that he has full authority from his government to negotiate.
9. SOVIETS VITIATE PEACEKEEPING OPERATIONS WORKING GROUP MANDATE  
Soviets backed off on agreement to discuss first half of mandate: practical measures relating to peacekeeping.
10. WALDHEIM AND OPENING OF ENVIRONMENTAL MODIFICATION (ENMOD) CONVENTION  
As SYG hopes to attend Maputo Conference, he has requested opening be postponed until May 19; has also requested meeting with Secy Vance and FM Gromyko.
11. AMB. McHENRY IN CAPETOWN FOR 5-POWER DEMARCHE TO SAG ON NAMIBIA
12. AMB. YOUNG ATTENDING ECLA CONFERENCE IN GUATEMALA CITY, 5/2-5/5
13. AMB. YOUNG PLANNING EXTENSIVE AFRICAN TRIP INCLUDING CONFERENCES IN ABIDJAN AND MAPUTO, 5/9-5/25  
In addition to Chief of Missions meeting in Abidjan and Maputo Conference on Namibia and Zimbabwe, Young thinking of brief visits to Gabon, Zaire, Sudan, Tanzania, France, England and, if feasible, Angola and South Africa; persons accompanying could include 2 Congressmen, Sam Brown (ACTION), Pat Derian, Reps from NSC, AID, AF and S/S. Considering difficulties of scheduling etc. using commercial African airlines, would White House be able to provide aircraft?

DECLASSIFIED  
Per: Rac Project  
ESDA: NLC-26-7415-1-2  
BY: [signature] DATE: 11/3/13

CONFIDENTIAL

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Secretary Brown

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

cc: Z. Brzezinski

THE WHITE HOUSE  
WASHINGTON

May 2, 1977

Hugh Carter

**The attached was returned in  
the President's outbox. It is  
forwarded to you for appropriate  
handling.**

**Rick Hutcheson**

Re: Ambassador Young's Trip  
to Africa May 9 - 25.



CONFIDENTIAL

U. S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY

WASHINGTON

"FYI"

THE PRESIDENT HAS SEEN.

1977 APR 29 PM 5 33

April 29, 1977

MEMORANDUM FOR THE PRESIDENT

FROM: SECRETARY OF LABOR, Ray Marshall *RM*

SUBJECT: Major Departmental Activities, April 23-29

EMPLOYMENT AND TRAINING--ECONOMIC STIMULUS PACKAGE

Public Service Jobs

Within the next week, we will provide local prime sponsors with their proposed funding allocations for the expansion of the public service jobs program. They will, of course, not actually receive these funds until the Economic Stimulus Package appropriation is approved by Congress and signed by you. This action, which will be cleared with key Congressional staff members, should help speed things along in Congress. More importantly, these proposed allocations should whet the appetites of the local prime sponsors who have grown restless waiting for the new funds since April 1.

Youth Employment and Training Legislation

I would like to alert you to a potential problem with the Administration's youth bill which is being considered concurrently by the relevant House and Senate subcommittees. Gus Hawkins, Chairman of the House subcommittee, is unhappy with parts of the Administration's bill and plans to offer changes. His dissatisfaction seems to stem from his feeling that he was not closely enough involved in preparing the Administration's bill. We are working with your staff and Congress to try to resolve this problem. The AFL-CIO has been exceptionally helpful in these negotiations.

DETERMINED TO BE AN ADMINISTRATIVE  
MARKING BY *[Signature]* DATE 11/18/13

## LABOR MANAGEMENT SERVICES ADMINISTRATION

### Labor Law Reform

This week we received draft legislation from the AFL-CIO on proposed changes in the Taft-Hartley Act. The AFL-CIO proposal is an alternative to a bill which has been introduced by Representative Frank Thompson. We are in the process of reviewing the very wide-ranging AFL-CIO proposal. Because of the complexity of the task, we will not complete our analysis until mid-May. At that time, we will work with the White House staff to develop an Administration position on this important issue.

### Federal Employee Labor Relations

The House Civil Service Subcommittee has agreed to indefinitely postpone Administration testimony on H.R. 13 which would provide a legislative basis for federal collective bargaining. (Currently, federal employee labor relations are authorized by a long-standing Presidential Executive Order). This postponement of Congressional hearings should give us additional time to develop a coordinated Administration position on the bill. I am trying to set up a meeting among Civil Service Commission Chairman Alan Campbell, Bert Lance and myself to discuss the Administration's position. A key issue is whether we want to replace the Executive Order with permanent legislation. If legislation is desired, the content of that legislation has to be determined. Chairman Campbell and I agree on the need for permanent legislation. OMB has yet to formulate a position.

### TEAMSTERS CENTRAL STATES PENSION FUND

The Teamsters Fund has substantially complied with the government's requirements by working out an agreement with the independent investment managers who will control the Fund's assets. As a consequence, the Internal Revenue Service has restored the Fund's tax-exempt status. The final step requires the resignation of Frank Fitzsimmons and the three other "hold-over" trustees. This should happen before the April 30 deadline.

#### EMPLOYMENT SERVICES ADMINISTRATION

The Department's administration of the federal employee compensation programs has long been plagued by long case backlogs and brusque treatment of claimants. In the past two weeks, Assistant Secretary Don Elisburg has visited the New Orleans and San Francisco offices to express personal concern over poor performance. He stressed the importance of responding quickly and politely to inquiries. Top administrators have been dispatched from Washington to help the New Orleans office correct its problems. In Jacksonville, the Regional Administrator has temporarily taken over that office in an effort to quickly eliminate the backlog of unanswered telephone inquiries and continuing expressions of concern from Members of Congress. The installation of automatic data processing equipment should help all these offices respond to inquiries in a timely and competent manner. By taking these measures, we are offering support to our personnel and underscoring our insistence that this program be well managed.

#### INTERNATIONAL LABOR AFFAIRS

The Labor Department has reluctantly agreed to an International Trade Commission (ITC) recommendation asking you to review existing quotas for the speciality steel industry. This review is to decide whether the ceiling on imports should be raised or eliminated entirely. Although we agreed to the request for a review, we believe that the current quota system has not been in effect long enough to consider modification or termination. The review is expected to be strongly opposed by labor and by the domestic speciality steel industry who support the present quota system.

#### LABOR DEPARTMENT EMPLOYMENT CEILINGS

We still have not received from OMB our revised employment ceilings. As a result, we are still operating under your mandate to only hire three people for every four who leave. This will cause certain complications when you sign the supplemental appropriations bill that passed Congress this week. This bill authorizes 265 new positions in the Labor Department. When the Economic Stimulus Package is passed, we will be allocated another 537 new positions. Without employment ceilings, it is unclear whether the three for

four rule applies to these new positions. If it does, we will be forced to go back to Congress with a recision request or ask for an exemption from OMB. Since these employment issues were originally favorably resolved by you during the FY 1978 budget appeals process, I would prefer an exemption by OMB.